

Response of the Dutch Agreement on Sustainable Garments and Textile to the OECD Alignment Assessment

15 July 2020

1. About the Agreement Dutch Agreement on Sustainable Garment and Textile

The Dutch Agreement on Sustainable Garment and Textile (hereafter: AGT) was adopted in July 2016 between business associations (INRetail and Modint), the Netherlands Trade Union Confederation (FNV) and the National Federation of Christian Trade Unions in the Netherlands (CNV), non-governmental organizations (Arisa, FourPaws, Hivos, Solidaridad and Unicef) and the government of the Netherlands. The aim is to ensure companies respect human rights, improve working conditions, prevent pollution and improve the sustainable use of natural resources and promote animal welfare. This is done through:

- Providing companies with tools and guidance on due diligence; to identify, prevent, reduce, mitigate and remediate negative impacts on the basis of the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector
- Developing collective activities and projects to address problems that companies in the garment and textile sector cannot resolve (completely) on their own.

Click [here](#) for the English text of the agreement.

2. Main recommendations of the OECD Alignment Assessment

We welcome this comprehensive report. It shows the added value of the AGT and indicates that we use the right approach for many activities and are able to make the OECD guidance practical. The AGT has many strengths, including supporting companies to adopt aligned policies and support to small and medium-sized enterprises. We continuously strive to help AGT signatories carry out due diligence in a way that is appropriate to their size and circumstances. In addition, the AGT's due diligence review process places a strong emphasis on buy-in from senior-level management of signatory companies, coordination across their business units, and the allocation of appropriate decision-making power to CSR departments. These are all important elements to embed CSR in business operation.

In general, the OECD Secretariat found very few points of non-alignment in the AGT Assessment Framework, meaning that most indicators of due diligence could be identified, even if they were not all fully aligned. However, there is also room for improvement. Both in written standards and implementation thereof. For example, in the evaluation of companies there is too much attention for internal control measures, the prioritization of risk can be done more precise by doing this at the site level, gender must be better taken into account in the assessment process and the assessment of large companies could be organized more according to their scale and size. Furthermore meaningful stakeholder and rights holders engagement can be improved as well as the legitimacy and accessibility of the AGT complaints mechanism. The AGT is encouraged by the results and will discuss in the coming months how to address the recommendations. This will ask for a step by step approach and prioritization. Some points in the assessment have already been addressed in the assessment framework that has been revised last spring.

3. The updated assessment framework and assessment cycle & working towards impact

After two years of implementing the assessment framework and applying it through the assessment cycle, the AGT has updated this. In this review process more emphasis was given to meaningful stakeholder engagement, communication by companies and to the exit strategy used by companies. These changes will be applied in the annual assessment cycle that started July 2020. Furthermore, the AGT is focusing not only on internal control mechanisms, but is also working towards achieving more concrete impact in the supply chain by setting up concrete projects in production countries to address large risks which companies cannot solve individually. The AGT is confident that these changes will have a positive effect on the application of the OECD guidelines for multinational enterprises.