



Agreement on Sustainable Garments and Textile (AGT)
 Annual report 2016/2017
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Introduction

For a small country, the Netherlands has lots of ambition. The Dutch textile market accounts for only one percent of the world market. Some 65 Dutch businesses are joining forces with trade unions, NGOs and the government to create a more sustainable international supply chain. This was set out in the Agreement on a Sustainable Garment and Textile Sector in July 2016.

We are now eighteen months further on and are issuing our first annual report. With justifiable pride, because the agreement has led to a unique kind of cooperation. But also with a certain degree of modesty. We realise that the results achieved are fine, but more time and more cooperation are needed to change the worldwide textile sector. In the Netherlands and internationally. We want this agreement to be our contribution to this effort.

One of the results from last year is a list of production sites, which clearly shows where businesses source their products from. A sustainable material guide has also been published. Training has been organised, solutions have been discussed and many meetings have been held between the parties to the agreement and with trade union leaders from production countries. In addition, all the businesses have drawn up an action plan to deal with the risks they have identified in their supply chain. Various businesses have already taken action as a result, as can be read from the example stories in this report.

The international community are closely following how we in the Netherlands are giving substance to due diligence (CSR risk management) and how we are making improvements. Organisations including the UN, OECD and organisations within the EU are looking at how we have designed this process. Other countries, such as France and Germany, have invited us to come and explain the approach.

We are sure that the changes set in motion over the past eighteen months are unstoppable. Increasing numbers of businesses are joining the agreement and the number of supporters is growing.

We believe that this is the right way to fundamentally address the problems in the sector. It will only succeed if we do it together: NGOs, trade unions, businesses and the government. In the Netherlands and with partners in the production countries.

The Agreement on a Sustainable Garment and Textile Sector was ambitious from the outset. We are now firmly established, with both feet on the ground. A lot has happened but we still have a great deal to do. By seeking international cooperation and working on raising awareness and finding solutions, the influence exerted by the Netherlands could be much greater than our purchasing power. I sincerely invite anyone who has a contribution to make to join us on this journey.

Pierre Hupperts,
Chair, Agreement on a Sustainable Garment and Textile Sector



Next year Keeping up the pace

The results of this first year are set out in this annual report.

The participating businesses submitted their action plans for the first time this first year. The secretariat assessed the plans and discussed them with the businesses. The plans constitute a baseline for this agreement. Read more about the analysis of the action plans [here](#). Next year, we will be setting up a fixed framework for the secretariat within which to assess the action plans. The purpose of this is twofold. It will provide businesses with guidance on how to improve the way they organise their due diligence. In addition, the framework will give the secretariat the opportunity to improve the way it assesses the efforts of businesses to make the supply chain more sustainable. New action plans will have to be submitted in June. We will also be publishing an update of the aggregated list of production sites.

Next year we will be investing in strengthening and structuring [cooperation](#) arrangements. Cooperation is necessary to make this agreement a success, both between parties and businesses and between businesses themselves. Businesses can learn from each other during this process. In order to achieve our objectives (50% of the market by 2018), we will focus more on attracting more participants to the agreement next year. We will also be investing more in international cooperation in the near future, both at European level and bilaterally with other countries.



**Results
in figures**



**Sustainable
government
procurement policy**



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Results of first year



What happened during the first year?

The Agreement on a Sustainable Garment and Textile Sector is the first in a series of agreements relating to international corporate social responsibility (ICSR). The aim is to effectively tackle risks of human rights violations, damage to the environment and animal welfare in the supply chain of a sector. What happened during the first eighteen months?

The garment and textile sector has long been aware of abuses in the production chain. The collapse of the Rana Plaza garment factory in Bangladesh in April 2013, in which 1,100 people died, increased the urgency of the fact that a lot more action is sorely needed. A lot of initiatives were started and reinforced around the world. In the Netherlands, the industry, NGOs, trade unions and the government had already initiated a cooperative venture based on the conviction that this was the most effective way to really tackle problems in the chain. Signed on 4 July 2016, the Agreement on a Sustainable Garment and Textile Sector made

that a good deal more specific. It mentions nine themes relating to ICSR that deserve priority attention, including discrimination and gender, child labour, freedom of association, a living wage, safety and health in the workplace.

The businesses that signed the agreement submitted their first action plans. In these plans, they set out the risks in their production and supply chain and how they will tackle them. They have to re-submit this plan every year, in which they also identify new links in their chain. In the terminology of the agreement, this is known as *due diligence* (CSR risk management).

Other results from the agreement include the list of production sites, a sustainable material guide, a Complaints and Disputes Committee, workshops and training programmes. On this page, we explain the results of this initial period.



Results of first year

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Results in figures

Trends in parties to the agreement, participating businesses and supporters



Reason for businesses cancelling: Insolvency and/or decision to close the business by the end of 2017

Click [here](#) for a complete list of all participants and dates of signature

Businesses that have an ICSR policy (%)



To what extent do themes arise in companies' self-evaluation? (%)



To what extent do themes arise in the self-evaluation of companies?
 Not all themes are relevant to all companies.

Understanding the list of production sites

As part of their due diligence, businesses have the task of mapping out their production and supply chain. This is necessary for identifying possible risks in this chain. The first version of the aggregated list of production sites was presented on 4 July 2017. The list contains 2,802 production sites. The participating businesses had to provide information for this list, which is updated every year.

What is made where?

Of the 55 businesses that signed the agreement around 4 July 2016, 51 supplied the required information, either in full or as far as was known at that point. Four businesses were unable to meet this requirement due to business circumstances, such as insolvency.

A number of businesses already had a clear picture of the initial production sites, while this was a great effort for some of the businesses. This is still a challenge for some businesses. Business processes have to be organised in such a way that the businesses know where the products for each order are made. This requires, for example, an investment in ICT or new working arrangements with agents or manufacturers that allow the information to be published.

View the list of production sites [here](#)

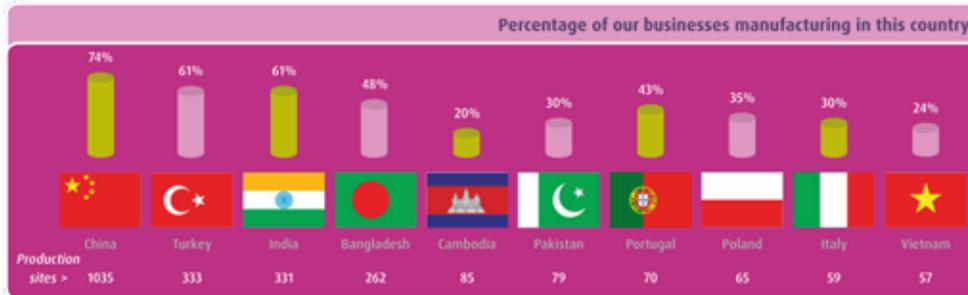
Production sites in figures Number of production sites



Where do we manufacture?



Top 10 production sites: In which countries do participants manufacture the most?



The middle column indicates how many production sites in the top 10 production countries are included in the aggregated list.

Transparency is a means to an end

The list of production sites is made up of all the currently known production sites for the businesses participating in the agreement. Businesses need to have an insight into the production sites in order to be able to perform a risk analysis and address problems. The public list does not show a link between the sites and the individual participants in the agreement. This is the result of negotiations between the parties. The secretariat does have this information and can link the concerning business to any site.

Similar initiatives across the world, such as the Bangladesh Accord, also use an aggregated list of production sites. Some businesses also publish their own list of production sites, including G-Star and C&A.

The list brings about action on the ground

Since the list was published, there have been six occasions on which NGOs have reported abuses at one of the production sites. The secretariat puts the NGOs in touch with the businesses concerned after this kind of report. Businesses and organisations got round the table to find ways of solving the problems. Read more about this cooperation [here](#).



Analysis of action plans

The aim of the agreement is for parties to cooperate to address the risks of human rights violations, damage to the environment and animal suffering in the chain. This is conditional on businesses having an insight into risks arising in their production chains or in the manufacture of brands that they sell (known as third-party brands). This year, 58 businesses submitted their first action plan based on this insight. These plans were analysed by the secretariat and discussed with the business concerned.

Assessment of action plans

It is difficult to see a common theme emerging from the action plans as the differences between the businesses is too great. Some businesses have been engaged in ICSR for years and are now making adjustments to improve the way they act in accordance with the OECD's due diligence concept. Other businesses did not yet have an ICSR policy and took action because they had signed up to the agreement.

In general, we do see that the businesses which have just started with ICSR focused on gaining an insight into their chain, organising support for change within their own organisation and preparing policy. In most cases, this process has not yet been completed and will have to be firmed up in follow-up action plans over the next few years.

Businesses which are already at a more advanced stage of the process focus more on identifying, prioritising and addressing the risks in their chain. An important element that came up with many businesses in the performance reviews was the impact of their own purchasing practices. The importance of entering into a dialogue with suppliers about ICSR and involving stakeholders in the process was also discussed with many businesses.

In the performance reviews, the secretariat emphasised the importance of organising systems in which gathering specific information can make an ongoing contribution to due diligence. For example, it helps to gain an insight at order level into where exactly production takes place, so that businesses can make a considered decision in advance on where to place the order and which measures should be taken to minimise risks.

A relatively large number of businesses were also advised to take a close look at the available resources to be able to fulfil the obligations arising from the agreement.

The secretariat has also advised businesses to join initiatives such as the Bangladesh Accord and the Pakistan Buyers Forum. Audits are mainly used as tools for making improvements. The emphasis in audits should be on following up with "corrective action plans" and monitoring the results.



Results of first year



Businesses also differ in the way they communicate about their efforts in the area of ICSR. The due diligence framework in the OECD Guidelines for businesses can help in this regard.

The result following these initial action plans is a sort of baseline measurement in which businesses describe how their production chain is structured, what risks they encounter and what risks are given priority in their approach.



Results of first year





Complaints and disputes committee

An independent complaints and disputes committee was started in the summer of 2017. Victims can take their complaint to the committee. They can do so individually or be represented by an organisation acting on their behalf. Workers at production sites can, for example, submit a complaint about a living wage, child labour or damage to the environment. In addition, the committee focuses on solving any problems (disputes) between businesses and the secretariat or between parties to the agreement. The committee has the authority to issue binding rulings. The

binding nature of this committee is unique anywhere in the world.

The independent complaints and disputes committee steps in when parties are unable to resolve an issue among themselves. This has not yet happened. The committee has [rules of procedure](#).

Read more about the complaints and disputes committee [here](#)

"I expect the independent binding dispute resolution mechanism to have a major role in implementing the agreement and the guidelines and principles on which it is based: United Nations Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises and the OECD Guidance in the Apparel and Footwear Sector. It will be made clear in the rulings what can be expected in practice under the agreement in companies' specific circumstances in relation to a specific supplier in a supply chain. Rulings issued by the complaints committee may therefore contribute to the practical implementation of the garment agreement."

Martijn Scheltema, independent chair of the complaints and disputes committee



Training programs and workshops

Last year, the secretariat organised a number of training programs/workshops for parties to the agreement and participants, including on:

- due diligence
- living wage
- freedom of association

In addition to these training programs and workshops, meetings were also organised by individual parties.

Due diligence training

The training was intended for all parties to the agreement who wish to go into due diligence more deeply. The focus was on the first step in the due diligence process: mapping out the production chain. Businesses need to know where and how their products are made. As an exercise, representatives of the various parties were divided into groups to discuss the origin of garments lying on a table, including a leather jacket from Pakistan and an embroidered shirt from Turkey. During the discussions of the garments, businesses received guidance on how to put due diligence into practice and prioritise the biggest risks because not everything can be tackled at the same time.

Living wage workshop

This workshop was organised in association with the Fair Wear Foundation. This organisation is a supporter of the agreement. During the workshop, an explanation was given of

how the gap between current pay and the desired living wage is calculated, based on benchmarks for the living wage. The Fair Wear Foundation explained how a living wage can be built into the price of a product. Businesses were trained how to raise the issue of a living wage with manufacturers and gained an insight into the options for increasing their influence at factory level. They learned that the social dialogue between trade unions and employers must be accompanied by a dialogue about purchasing practices. In addition, information was shared about ACT, the international living wage initiative of the major fashion brands and the international trade union movement. Ideas for a collective living wage project were also discussed.

Read more about the workshop [here](#).

Training programs organised by the secretariat last year

Training programs organised by the secretariat last year		
Type of training	Businesses	Parties Supporters
Due Diligence training 29 November 2016	58	17
Living wage training 9 May 2017	32	12
Due Diligence 4 July 2017	43	33
Due Diligence: Talking to your supplier 6 November 2017	12	2
Freedom of association 15 November 2017	18	12



Freedom of association workshop

The workshop was attended by representatives of businesses, various parties to the agreement and trade union officials from Cambodia, Indonesia and Bangladesh. It was therefore possible to discuss freedom of association directly based on real-world experience. The workshop gave businesses an insight into what they could do to raise the issue of freedom of association with the management of production plants. Businesses can obtain assistance from the trade unions and NGOs that have ties with these production sites. The Dutch trade union federations FNV and CNV will prepare a questionnaire that businesses can use to raise the subject in factories.

The trick is to get managers at production sites to see that it benefits everyone if workers organise and are regarded as a dedicated negotiating partner. This is because better working conditions and employment terms do, for example, reduce employee turnover as a result of improved motivation and increased product quality.

According to one of the guests from Bangladesh, something definitely changed in his production plant when a major customer started asking the management questions about freedom of association.



"During the meeting on 15 November, the participating businesses were able to talk to various local trade union representatives. We invited trade union leaders from Cambodia, Indonesia and Bangladesh. One of the outcomes of this Meet & Greet is that next month work will start on producing an A4 sheet with suggestions on how businesses can raise and promote the issue of freedom of association in their supply chain."

Nicole Engmann, CNV

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**Training programs
and workshops**



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Sustainable government procurement policy

A new procurement policy has been in force within the Dutch government since 1 April 2017. In the new system, suppliers within so-called risk categories are required to perform a risk analysis for corporate social responsibility. Work apparel is a relevant risk category. It involves procurement processes in which a total of about 100 businesses are involved and a procurement value of around 60 million euro. Suppliers who provide services, products or work for one of the risk categories are required to apply due diligence to their own international chain after concluding a contract with the Dutch government. Based on this analysis, the contract manager will enter into a dialogue with the supplier about what can reasonably be expected of the supplier in terms of minimising abuses in this chain. This analysis is followed up annually throughout the term of the contract.

As a signatory to the Socially Responsible Procurement Manifesto, the Dutch government actively endeavours to encourage other tiers of governments to adopt this approach, e.g. by organising knowledge sessions and providing information and practical aids, such as wording for tenders, which can be used as an example. The government is conducting various pilots to investigate other options for applying the OECD Guidelines at different stages of the procurement process. The aim is to apply the lessons learned widely across the various product groups. For example, pilots for data centres were conducted recently. By the end of 2017, some pilots aimed at the procurement process for natural stone will also be starting.

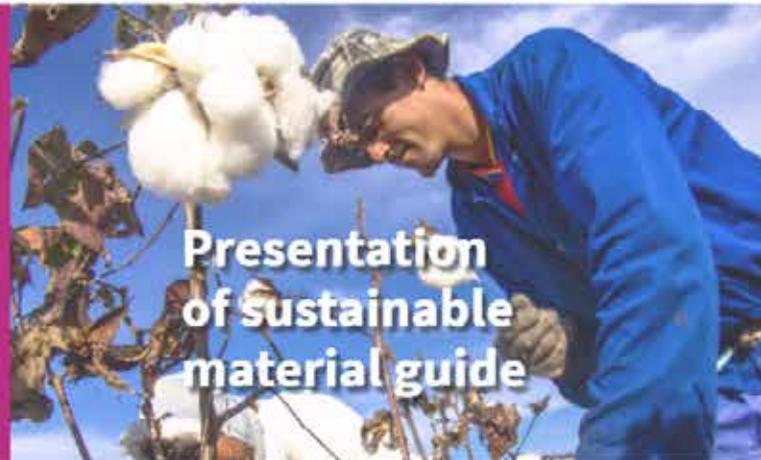
Read more about procurement policy [here](#).

Presentation of sustainable material guide

Industry organisation Modint published the Sustainable Material Guide with the support of the Ministry of Infrastructure and the Environment in January 2017. The guide contains information on sustainable textile fibres, the production processes for the most commonly used textile materials, sustainable alternatives, tips on product development and certifications. The guide is intended for buyers, designers and CSR managers in the textile sector. Having gained an insight into which materials are used, businesses can perform a risk analysis of these materials. The Sustainable Material Guide helps them to do so.

Read more about the Sustainable Material Guide [here](#).

Results of first year



Factsheet 1

IRBC Agreements Agreement on Sustainable Garments and Textile

Situation
December 2017

What is the course of the number of participants in the agreement?



State of affairs of participating businesses



At start
Spring 2017

Powered by
SER

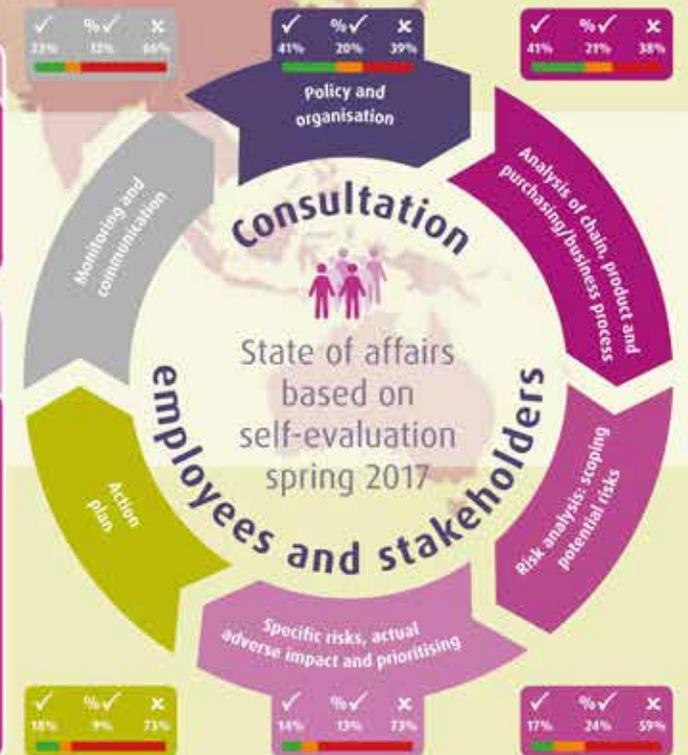
Businesses that have an ICSR policy



Participants at start of the agreement



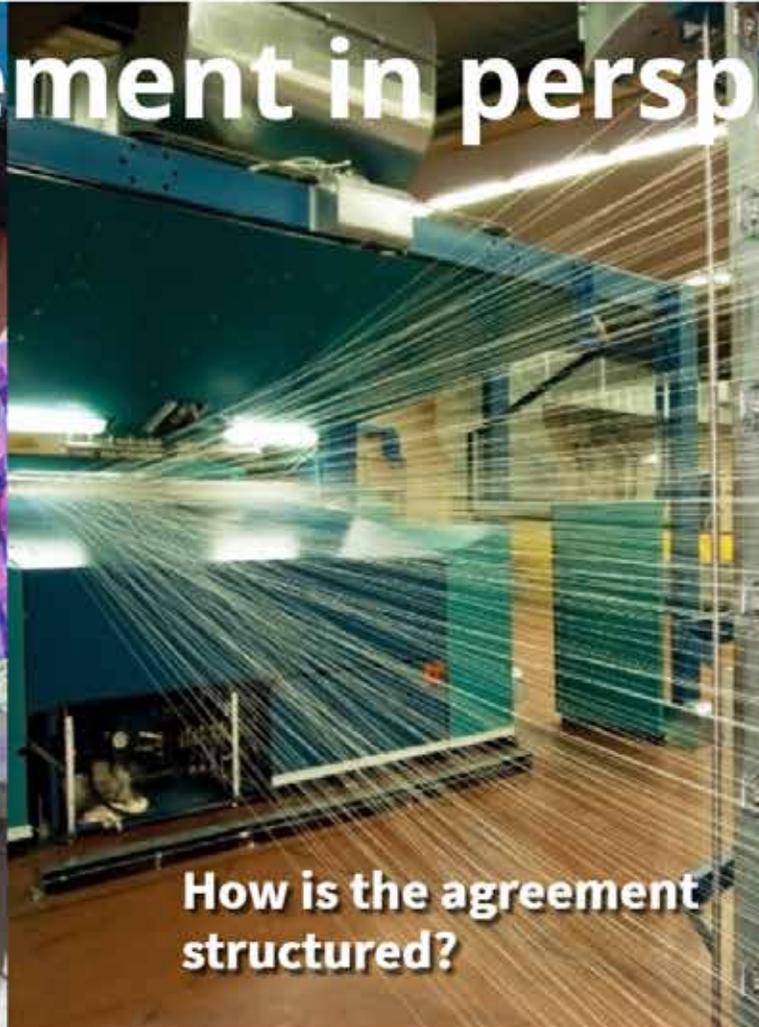
To what extent do themes arise in companies' self-evaluation?



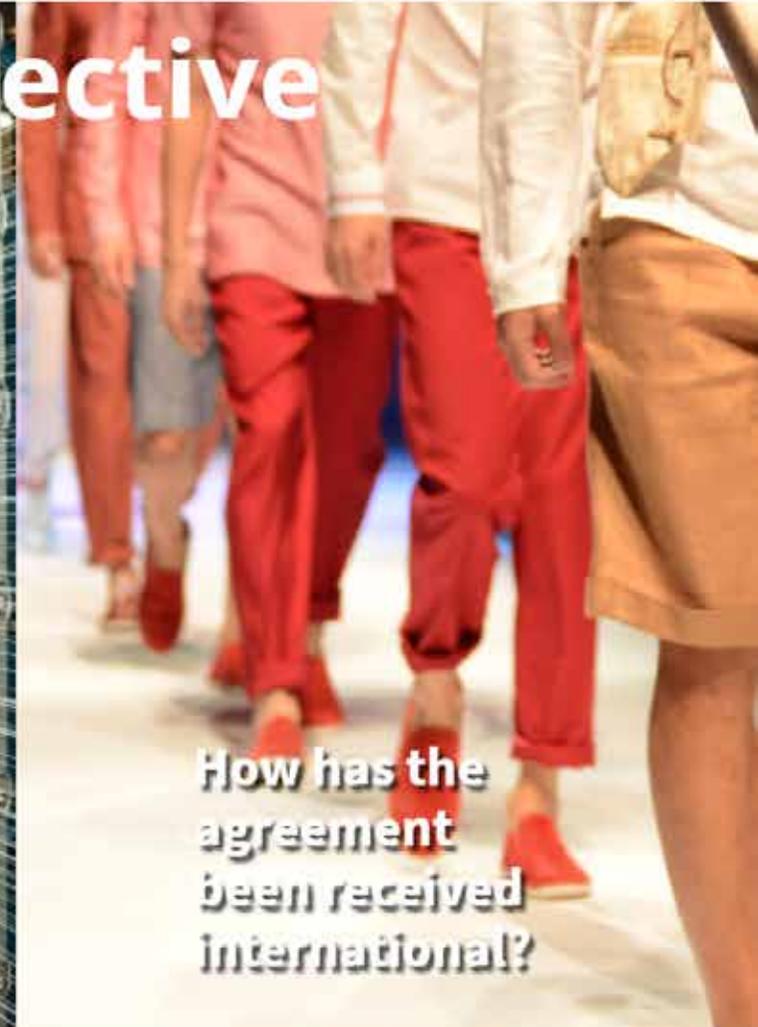
Agreement in perspective



What is the purpose of the agreement?



How is the agreement structured?



How has the agreement been received internationally?



What is the purpose of the agreement?

The Agreement on a Sustainable Garment and Textile Sector aims high in terms of objectives and undertakings. It is appropriate to place the ambitions of the Dutch agreement within an international perspective. How does the Dutch agreement influence the world textile market?

The Dutch textile market accounts for one percent of the world market. The 55 businesses that signed the agreement in July 2016 together represent about 35 percent of textile sales in the Netherlands. Now (as of 1 December 2017), the agreement has 65 participating businesses. The aim is for the agreement to represent 50 percent of the Dutch textile market by 2018 and 80 percent by 2021.

The amount of influence this agreement has is not an issue for the parties. What they want is to make the chain really sustainable and are prepared to do everything in their power to achieve this. Simply because of the joint approach, more is

happening and the parties have much greater influence than they would have individually. Moreover, the agreement is in keeping with the international framework: the OECD Guidelines for businesses and the UN Guiding Principles on Business and Human Rights. All the businesses in the world will have to take responsibility for the impact their business has on human rights, animal welfare, the environment and climate.

Read more about international initiatives [here](#).

The efforts of the agreement to achieve a sustainable textile sector are therefore highly relevant. In the world of garments and textiles, many Dutch businesses are at a relatively advanced stage in implementing due diligence. A number of other countries are interested in the way the agreement tackles the problems.



Alchemist: sustainable for ten years now

alchemist^{co}
BY CAROLINE MEWE

Caroline Mewe, owner of Alchemist, wants to make clothes while respecting people and the environment. The business thought it was a "no-brainer" to join the Agreement on a Sustainable Garment and Textile Sector. "You can't get things going on your own."

How did the story of Alchemist begin?

"Our mission is to make sustainable ladies' fashion. Well made, from sustainable materials. The alchemists were our inspiration. They were convinced that everything, people, animals and nature, were made of the same elements. They wanted to discover how it worked, so that they could make more beautiful things with what nature gives us. You can also view garment production in the same way. This production consists of a chain of steps and each step gives you a choice. Do you consume the planet to the very end or do you opt for a sustainable future?"

Does it make any sense for a very small business to join an agreement?

"When I started Alchemist over ten years ago, there was almost no sustainable clothing available. There were almost no organic or sustainable materials to be had anyway. That has now changed considerably. I have found out over the years that it is important for as many people as possible to be thinking the same way. You can't get things going on your own."

Is it feasible for a small business to map out the whole chain?

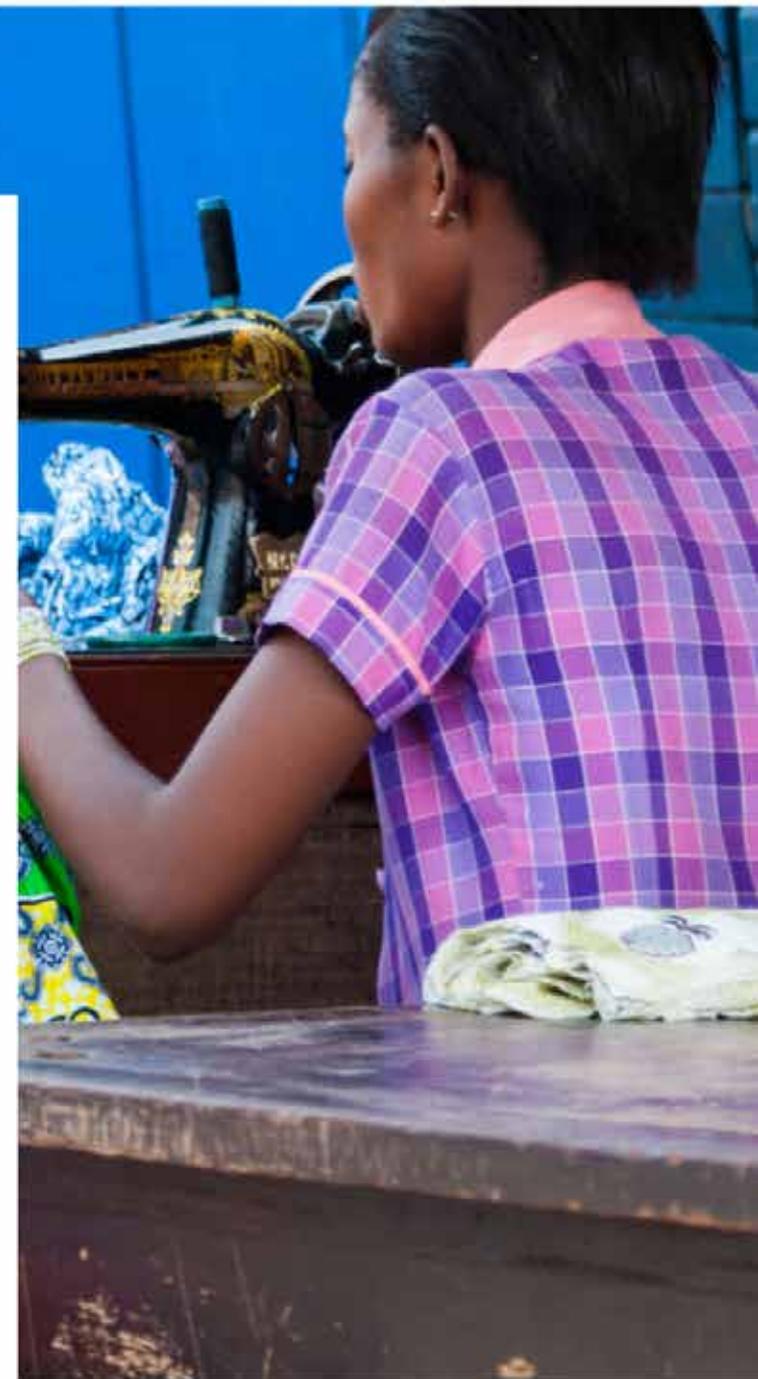
"Due diligence is in our nature. We've been doing it from the outset. The majority of our garments and materials originates in Europe. We visit the factories at least twice a year. We have now become almost family."

What appeals to you most in the agreement?

"The collective approach. Many different parties are involved in the agreement. Cooperation is really necessary to change things. Integrity is also very important. Attention focused both on child labour and animal welfare and on the use of chemicals. An unnecessary amount of chemicals is used in the production of traditional yarns and fibres. A chemical bath is required to make hard fibres from, for example, wood, bamboo or hemp suitable for processing into yarn. The chemicals are often dumped in the natural environment after use. Fortunately, sustainable alternatives are now available."

What do you hope for in future?

"Many consumers unfortunately have no interest in the origin of their clothes or the production conditions in which people make these clothes. As far as that is concerned, I hope that we follow in the food industry's footsteps with legislation and regulations and quality marks. Why are budget operators allowed to dump container loads of T-shirts all over the country without having to prove that these products were manufactured in a sound way? This really has to improve."





How is the agreement structured?

Dutch businesses trade all over the world. This results in jobs, innovation and economic growth. However, businesses can also become implicated in negative aspects of their chain, such as child labour, underpayment or environmental pollution. Businesses have a responsibility to avoid or address these risks. Thanks to the agreements promoting international corporate social responsibility (ICSR), businesses are joining forces with the government, trade unions and NGOs to work towards tackling abuses and problems on a permanent basis.

The undertakings in the Agreement on a Sustainable Garment and Textile Sector are intended to encourage businesses to make demonstrable progress towards making improvements in the chain within a period of 3 to 5 years. It has also been agreed to develop guidelines that will enable businesses to conduct due diligence effectively and develop joint activities

and projects to address problems that businesses are unable to solve on their own.

Read more here about how the Agreement on a Sustainable Garment and Textile Sector is organised.

Participation in the agreements is voluntary, but they involve a firm commitment on the part of the partners. Because sectors are themselves taking the initiative in cooperating with NGOs, trade unions and government to reach an agreement, there is a wide degree of support. Agreements have now been concluded in respect of garments and textiles, gold and the banking sector. Some other agreements are still being negotiated. The Agreement on a Sustainable Garment and Textile Sector is based on the OECD Guidelines for International Corporate Social Responsibility and is facilitated by the Social and Economic Council of the Netherlands (SER).

See also www.internationalrbc.org



What exactly is due diligence?

According to the OECD Guidelines, businesses must ascertain the extent to which they are (or could be) implicated in violations of human rights, the environment or animal welfare. This type of investigation is referred to as due diligence. It involves risk management and is a continuous process within each agreement.

The purpose of due diligence is to obtain as complete a picture as possible of the supply chain. The due diligence process goes much further than an audit process as audits take a snapshot of the current situation on the ground. Due diligence consists of an annual cycle to be completed:

- Identifying the products, knowing where and how they are made.
- Investigating the risks of adverse effects on people, the environment and animals.
- Prioritising these risks: which are the most serious and have to be tackled first.
- Drawing up an action plan for making improvements.
- Monitoring and evaluating the measures.
- Communicating about the results.

Close consultation with stakeholders is required in order to be able to complete these steps. This consultation is at the heart of the due diligence cycle.

Due diligence cycle in figures



All signatories who signed before 31 December 2016 were included in this year's assessment process. One of the components of this assessment was a self-evaluation that businesses had to complete before starting their action plans, which covered all the elements of the due diligence cycle. The graphic shows whether businesses are already applying the elements of the due diligence cycle.



Company Fits: clear picture of potential risks



Everyone wants to see results quickly, but it takes time to create a sustainable garment and textile sector. It starts with conducting due diligence to obtain a clear picture of the risks. Company Fits, a Dutch manufacturer of work apparel, worked hard on this last year. Production manager Evert-Jan Poppe is proud of the first improvement plans.

How do you explain to others what due diligence is?

"Due diligence identifies the risks that your business causes with the products that you're having made. For example, they could be risks to the people who work on our products but also to the people who live around the factories. We look at general risks, such as excessive overtime in China. Through our own buying practices we try to contain the risks. This way, we have a long term relation with our suppliers and let our orders know in advance.

Where do you begin when starting a due diligence process?

"We are happy to use MVO Nederland's CSR risk checker. You enter your product and production country in the checker and you then see what the potential risks are within your chain. We completed this process last year. So we now have an idea of the potential risks, but not yet of what exactly is happening in our chain. We also use the audit reports of the Business Social Compliance Initiative: an international organisation that visits

factories and makes audit reports of the visits. We are a member of this organisation. We ask BSCI to carry out audits at the factories we use in order to gain a better insight into their working conditions."

What do you do with this information?

"It's not easy. If, for example, we know that wages are too low, it does not immediately help if we start to pay more, because we don't know whether this extra money will reach the workers. It is therefore important for everyone within the agreement to work together. We have to join forces with government and trade unions to achieve improved pay. The same applies to the dialogue on freedom of association. We incorporate the results of the due diligence process into action plans with objectives for the short, medium and long term."

Are you now seeing a change in the sector?

"It's starting to happen. For example, look at the lobbying for a similar agreement in Germany. Among the parties to the agreement, I see a massively increased awareness, but we can still do more to let consumers see what we are doing. People do know that there are abuses in the garment industry, but they don't yet know that the sector is working hard to tackle them. As clothing companies, we have to be honest and transparent: not all clothing is responsible yet, but we are well on our way to achieving this."



How has the agreement been received internationally?

There is a lot of interest internationally in the Dutch approach with ICRS agreements, both from other governments and from international organisations. The initial results are good, but more time and cooperation is needed to change the textile sector worldwide. In the Netherlands and internationally. There is regular contact with other countries and international initiatives. For example, there is contact with the European Commission concerning the amendment of EU policy to promote the idea of sustainable production chains. Participants in the Dutch agreement have given a number of presentations on the Dutch approach in France, Germany, Belgium and elsewhere.

What other initiatives are there and which businesses are taking part in them?



Reference date 1 December 2017. Not all the initiatives are relevant to all the businesses.

"The Dutch approach with CRS sectoral agreements deserves praise. It gives more concrete examples of due diligence in practice. It is important to collaborate with other initiatives to raise the leverage of the Dutch initiative."

Dante Pesce, chair of the UN Working Group on Business & Human Rights

Working towards structural change

Raising awareness through the agreement

It is generally known that there are a lot of problems in the garment and textile supply chain. Wages that are too low, working days that are too long, unsafe and unhealthy working conditions and risks to animals and the environment are all too common. The agreement is an incentive to tackle structural problems in a structural way. Raising awareness of the problems is the first step on the way to change, both with those represented by of the signatories to the agreement and with stakeholders and the general public.

**Internal awareness
is increasing**

**External awareness is
also growing**



Internal awareness is increasing

In the course of the first year of the agreement, there was a growing realisation of what it actually means to participate in the agreement. An increasing number of businesses realise what their role is in making the sector sustainable and what efforts are needed. Participating businesses must be able to account for what is happening in their chain. They also have to reflect on the role of their purchasing and design processes. Last-minute changes to orders or pressure on purchase prices often have an adverse effect on working conditions, the environment and animal welfare. This therefore also means that businesses have to adapt their own business operations and take account of ICSR aspects in every strategic consideration.



Internal awareness
is increasing

C&A: the change has begun

C&A is a major player in the international textile market. This provides opportunities and creates responsibilities, says global chief sustainability officer Jeffrey Hogue. He believes that it is easier for a family firm to make the right choices than for other firms. C&A is now considered a world leader.

When did sustainability become important to C&A?

"You see all kinds of efforts to do the right thing throughout our 176-year history. Sustainability really became an issue in about 2000, just as with many other businesses. We have assumed an increasingly pioneering role in recent years. I think it's also because C&A is a family firm, now with the sixth generation in charge. Strong family values are embedded in our business culture, with the focus on respect for future generations. That makes it easier for us to make the right choices."

So what specifically are you doing?

"We want all our cotton to be more sustainable by 2020: certified organic cotton, recycled cotton or cotton from the Better Cotton Initiative. We have already made good progress with this. Sustainability is not yet top of mind everywhere and always in our business, but sustainable decisions are increasingly being taken. Our sustainability policy is based on

three pillars. First, we aim to sell sustainable products, with completely circular products as our long-term goal. Second,

we are creating a sustainable production chain. This means that we are not only using fewer and fewer chemicals but are also building on good working conditions and employee representation. The third pillar is 'sustainable lives': we want to get the people who design and sell the garments and the people who buy the garments to engage with sustainability".

Is C&A an example for the entire garment sector?

"We were honoured with the Stop Slavery Award for our efforts to eradicate forced labour from our production chain. This may not sound very innovative, but the production chain is complex and it's not easy to make social issues sustainable. I think others can learn from the way we've done this. In addition, we were the first to design a gold certified cradle-to-cradle T-shirt and give away the 'recipe' for it, with answers to questions such as: where do you find good factories and sustainable materials?"

I see the beginnings of a change, although I think it could be faster. In the final analysis, all the parties in the sector need each other. Although we are big, we're only one business. The whole sector has to work together to ensure lasting improvement and send a consistent message to manufacturing companies."





External awareness is also growing

External awareness is also growing

The agreement consists of undertakings given by parties and businesses and does not involve consumers at all. But raising awareness among consumers is really important in bringing about change in the sector. Consumers can ask in shops about the business's social responsibility, where the clothes come from and how they were made. The more often consumers ask for sustainable products, the more the realisation will grow in the sector that this demand has to be met. Businesses can keep consumers better informed about the choices they make in order to create a sustainable product range, e.g. by providing shop staff with better information about how products are made and by whom.

"Production conditions in the textile sector are a hot topic. Production conditions are regularly called into question in the media, as we recently saw in Zondag met Lubach, a satirical television programme in the Netherlands. We believe that shop staff must be given more information about production conditions. To achieve this, we have developed a module of three webinars on our website <https://mode.werkindewinkel.nl/>. In this way, we are providing staff with a tool that enables them to answer consumers' questions properly and help to create more transparency.

Femke den Hartog, industry organisation Inretail



**External awareness
is also growing**

Zeeman: sustainability can always be improved

ZEEMAN

For fifty years, Zeeman's mission has been "to manufacture good, inexpensive garments and textiles while respecting people and the environment". Arnoud van Vliet is the company's manager for CSR & Quality. "Sustainability can always be improved".

Do you do a lot to raise employee awareness?

"Our company employs 8,000 people. The conversation about how we can become more sustainable has only intensified since we joined the agreement. We issue a weekly bulletin to keep staff informed about everything that's happening. A poster is hanging in the works canteens that lists the main points in our CSR policy and we publish a CSR report every year.

Do you put a lot of energy into raising customer awareness?

"Many customers ask how we can be so cheap and yet manufacture responsibly. We're happy to explain. We are a family business, so we always look at the longer term. We have long-standing relationships with our suppliers and agents in the countries where we have our products made. This enables us to exert an influence on their working methods and we are sure of a consistent quality at a low price. Our conditions are clear: no child labour, safe workplaces, standard working weeks and fair pay. We visit factories four or five times a year to look at the situation on the ground."

What do you do about critical questions from customers?

"In 2016, we organised a survey of 12,000 consumers, asking them what they considered important in the area of CSR. There are also regular meetings with a CSR panel. We have written up the critical questions we were asked in the booklet '26 criticisms'. And when new critical questions are asked, we add them to the list in our website: zeeman.com/mvo."

What are your areas for improvement and your dilemmas?

"We are in a continuous dialogue with our stakeholders concerning difficult choices and things that could be done better, for example a living wage. Our suppliers' employees earn a fair wage, which suppliers commit themselves to in our Code of Conduct. Often the people in the factories earn a wage that is considerably higher than the local minimum wage, especially if work experience is required for their tasks. But what a living wage is continues to be a complicated issue and differs from country to country and region to region. Another dilemma is the use of sustainable materials. We want 25 percent of our total collection to consist of sustainable materials by 2020. The current figure is 10 percent. Because organic cotton is more expensive, the prices of our products would have to go up. But not everyone is able or willing to pay more for a better environment. That's why, for the time being, we still give customers a choice between organic and non-organic products. But we're seeing a new group of customers emerge who buy from us because our clothes are cheap and are made with respect for people and the environment."

Factsheet 2

IRBC Agreements Agreement on Sustainable Garments and Textile

Where do we manufacture?



What other initiatives are there and which businesses are taking part in them?



Training programs organised by the secretariat last year

Type of training	Businesses	Parties Supporters
Due Diligence training 29 November 2016	58	17
Living wage training 9 May 2017	32	12
Due Diligence 4 July 2017	43	33
Due Diligence: Talking to your supplier 6 November 2017	12	2
Freedom of association 15 November 2017	18	12

Percentage of our businesses manufacturing in this country



Issues discussed between NGOs/businesses/AGT secretariat

Subject >	Freedom of association	Health, safety and lack of freedom in dormitories for migrants	Living wage	Freedom of association	Bangladesh Accord	Freedom of association opposition to the establishment of a trade union
Raised by >	Media	LIW	FWF	FNV	SKC	SKC - FWF

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Bigger impact through cooperation



A major factor in the success of the Agreement on a Sustainable Garment and Textile Sector is cooperation. Businesses, trade unions, NGOs and government can achieve more together than each one of them separately. However, cooperation requires trust, courage and a willingness to share knowledge. The agreement has solid foundations and has made positive progress on each of these fronts.

Themes from the start



Collectieve project on combating child labour



Cooperation through list of production sites



Themes from the start

The agreement has been working on a number of themes from the start. A priority list was made of the themes to be tackled first. Already, far-reaching steps have been taken regarding some themes. The themes being worked on are:

Living wage – Parties and businesses have been cooperating closely on this theme. For example, [training programs and workshops](#) have been organised in order to get businesses involved. This has led to new insights among all the parties. The development of the collective living wage project referred to in the agreement has proved to be a more difficult challenge than anticipated. Practical preparations have now been made for cooperation with local trade unions, ILO Better Work and Fair Wear Foundation, based on the list of production sites established in connection with the agreement. The work will continue in 2018. Together,

parties and businesses will try to develop effective ways of bringing about a lasting improvement in the living wage throughout the chain.

Freedom of association – Parties and businesses are developing ways of enabling businesses to incorporate this theme structurally and practically into their purchasing process, e.g. by asking the right questions of the management of the factory they are purchasing from. What the right questions are depends on local conditions, among other things. Trade unions have an important part to play in this regard, because they often have a network in the relevant production countries and therefore have a lot of information at their disposal. Specific questionnaires will be developed for this in 2018.





"Last year, Dutch trade union federations CNV and FNV contributed to the steering group and the Freedom of Association, Living Wage, Child Labour, Discrimination and Gender and Forced Labour working groups. Both federations have shared the list of production sites submitted by participating businesses with their partners in the main production countries. CNV Internationaal's partners in Indonesia and Cambodia have responded enthusiastically to the list. Both of them have screened the listed factories to ascertain whether they have a union presence or any issues or the potential to initiate a dialogue on the living wage. Because of the FNV's somewhat more complicated situation, this process is still ongoing among its partners in Bangladesh and elsewhere. In addition, the Freedom of Association working group has made a start on writing a roadmap."

Jacob Plat, FNV

Child labour: click [here](#) to go to the collective project on combating child labour

Animal welfare – Parties and businesses have jointly conducted a study into the welfare of animals used in the garment and textile sector. The materials it looked at were leather, wool, down, feathers, fur and silk. The living conditions, animal welfare risks and legislation in the main

production countries were studied for a total of 14 animal species. Solutions were also described that could be used to prevent or reduce animal welfare risks in the production and supply chain. In addition, the study describes alternative materials that could be used instead of materials of animal origin and makes recommendations to businesses, including on due diligence on the subject of animal welfare.

The study was based on literature and interviews and will eventually be used to inform businesses about the main risks associated with the use of materials of animal origin, so that these risks can be properly addressed in the action plans.

The report containing the results of the study will be published in January 2018.

You can also read [here](#) which of the various themes have been included in the first action plans submitted by businesses.

"The international animal welfare organisation FOUR PAWS has been striving for more humanity towards animals since its inception in Austria in 1988. When the opportunity presented itself to be involved in this innovative new policy instrument to make international textile and garment value chains more transparent and sustainable, we were pleased and honored to provide expertise on the topic of animal welfare. The IMVO Sustainable Clothing Covenant is unique in its kind by not only inviting companies to produce in the most environmentally friendly manner and exhibiting ethical behavior towards humans, but also by asking private sector players to consider the rights and needs of the other sentient beings we share our planet and living space with, animals. The Netherlands has always been at the forefront of initiatives to increase respect for minorities and vulnerable groups in society and, by including the theme of animal welfare in this CSR initiative, has once more shown its progressive, forward thinking nature. It is our aspiration that other countries shall follow this awe-inspiring example, and shall also extend respect, empathy and care to all living beings inhabiting this planet. We are grateful for the opportunity to raise awareness about the possibilities companies and other players have, to improve the lives of millions of animals worldwide. We are proud to be part of this initiative which addresses consumer concerns, and gives players the tools and knowhow to avoid and mitigate unacceptable issues in their international undertakings. We gladly offer our support to make the IMVO Sustainable Clothing Covenant a large success for the people, the environment and the animals it concerns."

Helmut Dangler, CEO Four Paws International





Collective project on combating child labour

In 2016, at the request of Parliament, the Dutch government created a fund to combat child labour. The Netherlands Enterprise Agency (RVO) was given the task of implementing this funding scheme.

For the agreement, which had just started at the time, this was the perfect opportunity to submit a project application, as child labour is one of the themes highlighted in the

agreement. A consortium of parties joined forces to prepare and submit the project application, with international human rights organisation HIVOS taking the lead role. And it was a success: the funding was awarded. The project started in October 2017. The first few months were dominated by project coordination and the planning and preparation of activities in the south of India and Bangladesh.





Collective project: tackle the cause of child poverty

STOP



CHILD LABOUR
SCHOOL is the best place to work

Hivos
people united

The first collective project within the Agreement on a Sustainable Garment and Textile Sector focuses on combating child labour. The project was launched in 2017 with government funding. Eline Wijnen of Stop Child Labour/HIVOS is the project coordinator. "We want to open up new horizons for children."

What is the aim of this first collective project?

"To prevent and combat child labour in the garment production chains, including the second stage and subcontractors. We want to gain a better insight into this issue and at the same time initiate the social dialogue at the production sites. Our aim is to provide children, under-age workers and their families with a long-term solution that gets to the root of the problem. We want children to have access to formal education, opening up new horizons for them."

Awareness of child labour seems to have increased considerably in recent years.

"That's right. But, unfortunately, that hasn't made the problem any smaller. It has shifted, even further down the chain. That's why we want to do more than identify problems and risks with the initial suppliers. We expect participating businesses to see the big picture and amend their policy and procedures to come up with solutions for the whole chain. All the project partners will jointly take action to tackle the root causes of child labour. We also want to share the results and

tools with the other members of the agreement and other clothing brands."

Where exactly will you begin?

"On the one hand, together with businesses in the Netherlands, we look at how we can map out the production chain in greater detail and what tools we will need to do so. In addition, we will get started on challenging child labour in the factories and spinning mills, seeking cooperation with local authorities and NGOs. We will be focusing first on Bangladesh and the south of India, as these are two major textile manufacturing countries in which child labour is a common problem."

Do you regard this as a model project for future projects to combat child labour?

"Absolutely. This project has wide support, including from clothing firms, trade unions and NGOs, and receives government funding. This is a unique form of cooperation. In this project, we also go further than merely identifying the violation of children's rights on the initial suppliers' premises. We want to get all the stakeholders actively involved in devising and implementing strategies for progressing towards sustainable production throughout the chain, i.e. also including any subcontractors who are not immediately apparent. That's where our focus lies."



Cooperation through list of production sites

A specific undertaking in the agreement is that the secretariat will publish an annual aggregated list of the production sites that participating businesses use. Read more about the list of production sites [here](#). The increased transparency has now resulted in practical discussions between NGOs and individual businesses about (potential or actual) abuses in factories appearing on the aggregated list. It is still too soon to establish whether the reported abuses have been resolved and, if so, to what extent?

NGOs or others who receive reports of (potential or actual) abuses at a production site can contact the secretariat.

The secretariat will then contact the business which has indicated that it has placed orders with that factory. Until now, this has resulted – in all cases – in closer contact between the NGO and the relevant business to discuss the problems and seek a solution.

Issues discussed between NGOs/businesses/AGT secretariat

Issues discussed between NGOs/businesses/AGT secretariat						
Subject >	Freedom of association	Health, safety and lack of freedom in dormitories for migrants	Living wage	Freedom of association	Bangladesh Accord	Freedom of association opposition to the establishment of a trade union
						
	Turkey	India	Indonesia	Turkey	Bangladesh	Myanmar
Raised by >	Media	LIW	FWF	FNV	SKC	SKC - FWF



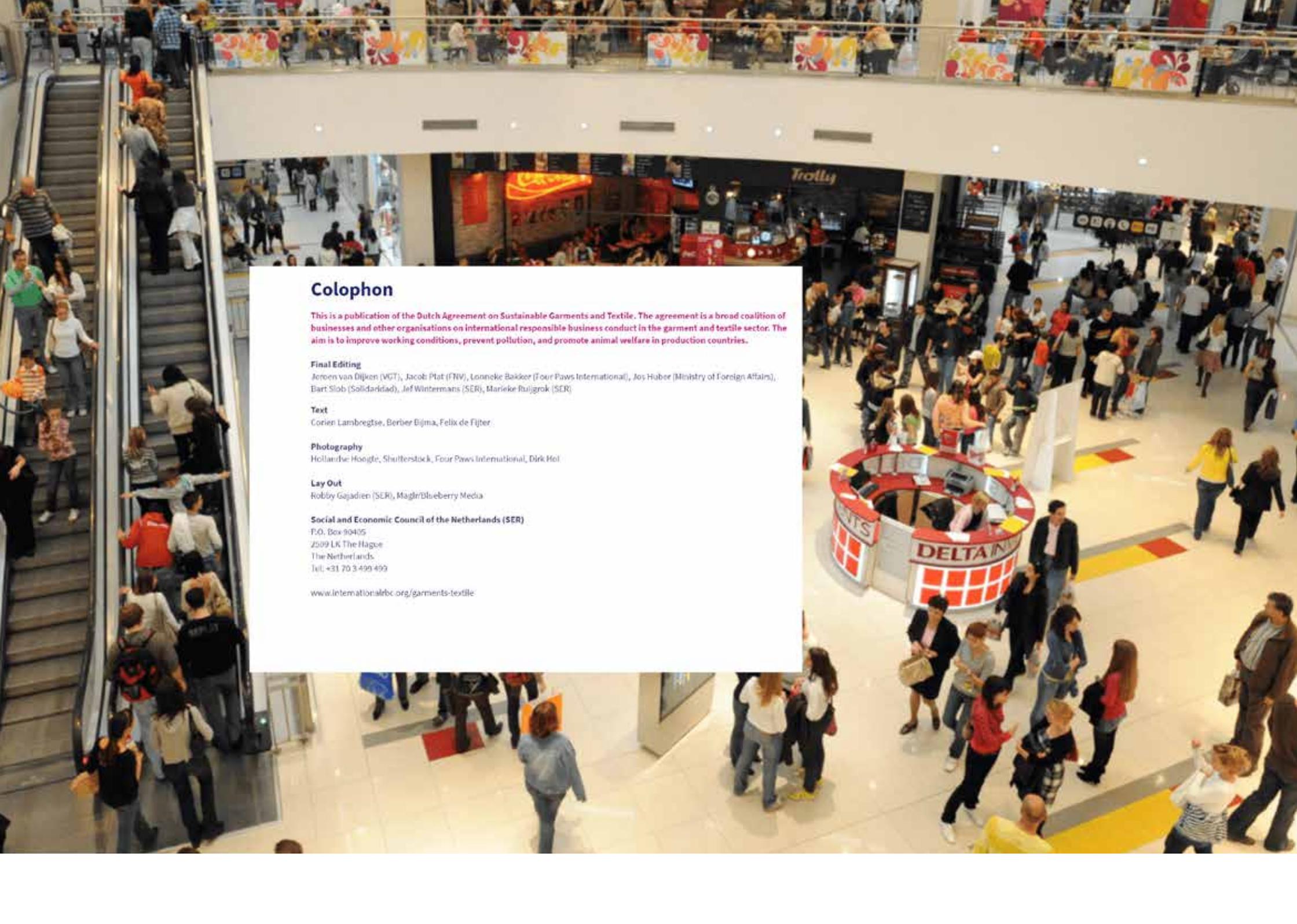


"We are one of the companies that sourced in Myanmar, where the Fair Wear Foundation and Clean Clothes Campaign reported an issue regarding freedom of association. Two members of a labour organisation were laid off at a garments factory. FWF was at the sight and was able to get in touch with the workers directly and follow the situation. The secretariat got us in contact with FWF and the Clean Clothes Campaign, so we could work together with them and other brands to solve this issue. Through increasing leverage on top management and our combined forces, we could successfully solve this issue.

The two employees have been compensated for their missed income and both got offered their job back. One of the employees did not choose to do so. The other one did and is now appointed as worker representative, and takes part in the executive committee of the factories labour union. Through this issue I see that by working together we got to this outcome. As a relatively small buyer we could not have come to this result."

More information: [Fair Wear Foundation](#)

Marijke Willemsen, WE Fashion



Colophon

This is a publication of the Dutch Agreement on Sustainable Garments and Textile. The agreement is a broad coalition of businesses and other organisations on international responsible business conduct in the garment and textile sector. The aim is to improve working conditions, prevent pollution, and promote animal welfare in production countries.

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