

TruStone

*Stakeholders working towards responsible business
conduct in the natural stone sector*



Introduction

International responsible business conduct (IRBC) – in other words, business conduct that respects people, animals and the environment – is increasingly becoming a ‘licence to operate’ for companies. A growing number of contracting authorities, investors and buyers set RBC requirements for their suppliers, and more and more consumers want to know the source of their purchases. A better understanding of a product’s origins and the conditions under which it was made can help to combat abuses in the production and supply chain.

Why this Initiative?

We use natural stone (such as slate, granite, basalt and marble) for all kinds of purposes, for example buildings and building façades, tiles and paving stones, countertops, gravestones and monuments. Natural stone is quarried and processed in many parts of the world, often under conditions that violate human/labour rights and are harmful to the environment. In recent years, for example, several local authorities came under fire for constructing buildings, streets and squares using natural stone that had been mined or processed under appalling conditions.

Dutch and Flemish companies in the natural stone sector have joined the governments of the Netherlands and Flanders, NGOs and trade unions in agreeing to make substantial improvements to social, working and environmental conditions in high-risk areas (particularly Asia, Africa and Latin America) within a three- to five-year period.

IRBC Trustone Initiative

The signatories



What does the TruStone Initiative involve?

The Initiative consists of two parts:

1. Offering individual companies tools to prevent, reduce or eliminate any real or possible adverse impacts of their own business activities or those of their suppliers or business partners in the natural stone production or supply chain.
2. Tackling problems as a group that companies are unable to solve entirely on their own. In particular, the focus is on:
 - discrimination and gender
 - child labour
 - forced labour
 - living wage
 - right to organise and right to collective bargaining
 - occupational health and safety
 - land rights and the living environment

What is the Initiative based on?

The OECD Guidelines for Multinational Enterprises serve as the starting point for International Responsible Business Conduct (International RBC or IRBC) and for this Initiative. The OECD Guidelines are consistent with the UN Guiding Principles on Business and Human Rights (UNGPs) and the fundamental labour standards of the International Labour Organisation (ILO). The Dutch government expects companies that operate internationally to adhere to the principles of responsible business conduct spelled out in the OECD Guidelines, under which they have a 'responsibility to respect human rights'. Companies can follow up to that responsibility by performing due diligence.

Due diligence

Due diligence in relation to RBC is the process that companies are required to undertake in order to identify, reduce and prevent the real or potential adverse impacts of their own activities, those of their suppliers or of other business partners in the production or supply chain, and to account for how they do so. Due diligence is not a one-off activity but a continuous process of improvement. Adverse impacts refers to such issues as child labour, exploitation of employees or environmental damage in which buyers in the Netherlands are implicated through their international production and supply chains. It is not about business risks, in other words, but about the risks of real and potential adverse impacts on stakeholders. Examples of stakeholders are the company's own employees or workers employed at domestic and foreign production sites, the environment, and local communities.

Who can join the Initiative?

The Initiative is intended for:

- Dutch and Flemish companies that import and/or process natural stone.
- Foreign companies active in the Dutch and Flemish markets and that import and/or process natural stone.
- Organisations that procure natural stone or natural stone products (e.g. kitchen suppliers, funeral homes, garden centres and DIY stores) and architects or architectural firms that specify the use of natural stone in their designs.
- Contracting authorities such as national and local authorities that purchase natural stone through their tenders.

NGOs, trade unions and other organisations can support the objectives of the IRBC agreement and help to achieve the aims of the Initiative. Later on, the TruStone Initiative will seek to cooperate with other initiatives around Europe.



Companies

What are they expected to do?

- Develop a working method/risk management system that can be used to identify the risks that activities undertaken by themselves or by suppliers and other business partners pose to people, animals and the environment.
- Investigate their own production or supply chain to identify possible adverse impacts on people, animals and the environment and how their procurement process may be a contributing factor.
- Draw up an annual action plan addressing the risks of adverse impacts that they have identified.
- Show how they deal with the risks they have identified in their production or supply chain and report on progress made in tackling these risks.
- Participate in projects (where relevant) undertaken with other parties to address problems as a group.

Note: Due diligence is a company-specific process. What any one company is expected to do depends on its size, the nature of the product it sells or its role in the supply chain.

Why participate?

- Companies that join the TruStone Initiative comply with the OECD Guidelines and the standards set by the governments of the Netherlands and Flanders for responsible business conduct, specifically with regard to the purchase of natural stone.
- Companies that perform due diligence are more likely to be successful in public procurement procedures.
- Companies that join the Initiative anticipate inevitable progress towards sustainability and public expectations concerning business conduct that respects people, animals and the environment, thereby enhancing their public and political reputation.
- Companies that participate in the Initiative are not alone: they join forces with other companies, industry organisations, trade unions, governments and NGOs to tackle problems in the production of natural stone that cannot be resolved (entirely) by one party acting on its own.



Governments/contracting authorities

What are they expected to do?

- Ask contractors to perform due diligence regarding natural stone. That is commensurate with applying the International Social Criteria (see box).
- At the very least, require contractors to perform due diligence in the project execution phase and see that they comply with that requirement.
- Ensure that tenders are as consistent as possible with the approach adopted by the Initiative.
- Apply the outcomes of the Sustainable Procurement (SP) and Child Labour-free Production pilots in future tenders for natural stone. For more information about the pilots, see https://www.imvoconvenanten.nl/natuursteen/pilot?sc_lang=en.

Why participate?

- Contracting authorities/governments participating in the Initiative are working specifically to make the natural stone production chain more sustainable, and these efforts will go to enhance their public and political reputation.
- Contracting authorities/governments that participate in the Initiative are not alone: they join forces with companies, industry organisations, trade unions, other public authorities and NGOs to tackle problems in the production of natural stone that cannot be resolved (entirely) by one party acting on its own.
- Contracting authorities/governments that participate can get help in undertaking Sustainable Procurement from the International Social Criteria (ISC) helpdesk, part of the independent secretariat for the TruStone Initiative.



International Social Criteria (ISC)

By inviting tenders for public supply, service and works contracts, government involves itself in various production and supply chains. Like the suppliers in those chains, it too is responsible for its activities and has drawn up International Social Criteria (ISC) for this reason. ISC refers to all European and international social standards, specifically those concerning human rights and labour standards set out in treaties, guidelines and international conventions.

Contracting authorities can use a variety of methods to steer their procurement process towards compliance with ISC. It is the policy of the National Government to include ISC by stipulating a due diligence obligation as a contractual requirement. In fact, inclusion of ISC is mandatory in public procurement procedures involving a value greater than or equal to the EU public procurement thresholds in any one of ten high-risk sectors, but they can be included even when there is no obligation to do so (in the case of procurement by local authorities or by national authorities outside the risk categories). Contracting authorities are also at liberty to promote compliance with the ISC in other ways (for example in their award criteria). Procurement law offers sufficient latitude to apply the ISC more broadly.



Would you like to participate or learn more about the Initiative?

Contact the TruStone secretariat, which has been entrusted to the Social and Economic Council of the Netherlands (SER).

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You will find more information at: www.imvoconvenanten.nl/natuursteen

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