

March 3, 2014

Answers by the Minister for Foreign Trade and Development on Parliamentary questions by Voordewind (ChristianUnion) on the report 'Working on the Right Shoes' (submitted December 23, 2013).

Question 1

Have you taken note of the report "Working on the Right Shoes' of the Stop Child Labour campaign, including a scorecard of 28 Dutch and international footwear companies on their CSR content?

Answer

Yes.

Question 2

Have you taken note of the documentary 'Dapper in de kinderschoenen' ('Brave in their infancy?') showing that many Turkish children are active in the production of shoes, including for the Dutch market?

Answer

Yes.

Question 3

What have been the results of the conversation you had with Dutch shoe companies and Stop Child Labour on combating child labour in the production chains of the companies, in response to parliamentary questions on the subject of 6-12-2013? Are you willing to talk with shoe companies that do not provide information about their approach to child labour and labour rights or deal with this insufficiently, and make agreements with them for a targeted approach and reporting?

Answer

During a consultation between Dutch shoe companies, civil society organisations and the Dutch government on January 22, 2013, the parties present discussed the implementation of CSR policies in the shoe industry. The shoe companies have indicated how they interpret their supply chain responsibility, and what obstacles they experience in this. For example, one challenge is to improve visibility of and influence on companies that make semi-finished parts and that have no direct contact with the Dutch shoe companies. The civil society organisations and companies have agreed to intensify the mutual contacts.

The recently released report "Working on the Right Shoes' indicates that 18 of the 28 shoe companies that have been approached by the Stop Child Labour Campaign have made progress during the past year in developing and implementing their CSR policies. This refers to, among other things, examining risks in the supply chain, improvement of codes of conduct, setting up systems to monitor suppliers and increasing transparency for consumers.

Among the companies that have shown no improvement, the report mentions one Dutch company (Schoenenreus). The company indicates in the report that it is aware of the importance of the fight against child labour. I've been talking to Schoenenreus. The company said that they buy shoes from intermediaries and not directly from producers. Schoenenreus also indicated that their suppliers are

usually affiliated to the Business Social Compliance Initiative, an initiative in which companies cooperate in conducting audits to achieve joint monitoring of suppliers. In addition the company itself regularly visits production facilities in high-risk countries to also check, as they say, if these production facilities are making use of child labour in. The company is currently actively in making their CSR policy more transparent. One of the components of this is to improve the communication related to CSR on their website. I asked Schoenenreus to inform me on their progress in this respect.

Among the companies that did not respond to the Stop Child Labour Campaign is also a Dutch company (Wolky). In my contacts with Wolky, the company announced that it participated in the research of the Stop Child Labour Campaign in 2012 and that it at that time indicated that the production of their shoes does not take place in high-risk countries. The company assumed that participation in the follow-up study was therefore unnecessary. Wolky says to be prepared to be transparent about its production process and has already contacted the Stop Child Labour Campaign. On the website of Wolky information is available about the entire production process from which it is apparent that the company does not buy from risk countries indeed.

Question 4

Are you also willing to invite the footwear importers and retailers that are not assessed in the report for a conversation about their approach to child labour and labour rights in the supply chain?

Question 5

Do you plan to include the footwear sector in the CSR Risk Sector Analysis, particularly with regard to the observance of human rights and environmental standards further down the production chain (for example in tanneries and homework)?

Answer question 4 en 5

On 23 October, KPMG Sustainability has been commissioned to perform the CSR Sector Risk Analysis. The global identification of CSR risks and the pre-selecting of the sectors with high risk is part of the job. It also looks at the observance of human rights and environmental standards further down the production chain. Companies, civil society organisations, science and the various Ministries are closely involved in this project.

The project is focused on the selection of sectors for which the government should – with priority - have discussions on the tackling (the risks of) negative social impacts, including child labour, in their production chain. No sectors have been identified in advance. I am, however, in anticipation of the selection of sectors, in conversation with the textile sector (without the shoe industry) and the energy sector on opportunities for a CSR Covenant. If the analysis shows that there should be discussions - as a priority - with the footwear sector (as part of the textile and clothing sector in the sector analysis), I will invite that sector. I will present the selection of sectors to the Parliament together with the Minister of Economic Affairs in the summer of 2014.

Question 6

Having seen the documentary 'Brave in their Infancy', are you willing to examine which Dutch (or in The Netherlands active) shoe companies do import shoes from Turkey, and whether child labour is used in the production? Are you also prepared to address this issue with these companies?

Answer question 6

There is no list, for instance used by customs, of footwear retailers who import shoes manufactured in Turkey. The report, "Working on the right shoes" does not mention any names of Dutch companies that buy shoes in Turkey. The trade association VGS informed us not to have information that provides insight into which of their members import shoes from Turkey.

As part of the Sector Risk Analysis (see questions 4 and 5), KPMG conducts interviews with a number of sectors on the risks in the supply chain. This includes the clothing and textile industry, including the footwear industry. When the Sector Risk Analysis shows that there is a need to have talks - with priority - specifically with the footwear industry, I will invite this sector. I will present the final selection of sectors to the Parliament together with the Minister of Economic Affairs in the summer of 2014.

Question 7

Are you willing to discuss with the trade associations in the footwear sector - including the Association of Large Shoe Retailers - their efforts to combat child labour and implement labour rights in the full supply chain?

Answer question 7

The Ministry of Foreign Affairs has already been in contact already with the VGS on CSR in the shoe supply chain. The VGS is familiar with the report "Working on the Right Shoes" and previous reports of the Stop Child Labour Campaign on child labour in the footwear chain. The VGS is, as a result of these reports, in conversations with the Stop Child Labour Campaign. Each of the VGS members has its own policy in the field of CSR and implements that responsibility in its own way. All of them have a code of conduct prohibiting child labour. The VGS members exchange regularly information and knowledge about CSR. At this time, the VGS is working to create an industry-wide ambition in the field of CSR, including the fight against child labour. This ambition will be completed in the summer, after which the VGS wants to implement it. Even shoe retailers who are not members of the sector organization will be invited to participate.

At the request of the Dutch Retail Council (of which VGS is a part), Deichmann (Van Haren Schoenen) and Macintosh, the Business Social Compliance Initiative has organised two international stakeholder meetings in India to discuss the problems in the footwear sector that have emerged in previous reports of the Stop Child Labour Campaign. The Dutch Embassy was present at one of these meetings. Currently the Indian Centre for Responsible Business is looking - with financial support from the Embassy - for opportunities to support companies with their risk analysis of the Indian textile and footwear sector.

Vraag 8

Are you willing to inform the Dutch embassies in countries that export many shoes to The Netherlands about the report "Working on the Right Shoes"?

Answer question 8

Yes. The embassies in the countries mentioned in the report are informed about the report. They will use this information in their communication to shoe companies and other relevant contacts.

Question 9

Are you willing to promote that the government buys shoes from companies with a positive score in the report "Working on the Right Shoes"?

Answer question 9

While applying the social conditions in the national policy for sustainable procurement, the government requires supplying companies to respect human rights. In the governmental procurement policy (letter of Parliament, October 16, 2009) two generic international social contract conditions are included: 1. International fundamental labour standards of the ILO (including the prevention of child labour) and, 2. Universal human rights. This means that in tenders falling under the sustainable procurement policy, companies to be contracted are called upon to take their responsibility (reasonable effort) to prevent child labour in the supply chain and report publicly on it.

Because this is a non-negotiable condition of the contract, the government will not contract those companies that do not want to endorse this policy of the government. It is therefore not necessary to pursue a preferential treatment policy in respect of companies that score positively in this report on the policy to prevent child labour in the shoe production chain. However, the Ministry of the Interior Affairs will, in cooperation with the Ministry of Foreign Affairs and the Ministry of Social Affairs and Employment, check - in the evaluation of the application of the social conditions in the sustainable procurement policy which will take place this year - whether these conditions are implemented effectively and whether this policy is in agreement with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights.

[Non-official translation ICN]