



**Natural Stone**



## Do you know where your natural stone comes from?

Natural stone. A wonderful product. A product with many uses. Some examples? Floors, kitchen surfaces, memorial stones, paving and exterior cladding. The market for natural stone continues to grow, both in the Netherlands and internationally. Buyers value the quality of the material and the large variety of colours that are available. But do you also know where your natural stone comes from? Or under what circumstances the natural stone is produced and processed in its country of origin?

More and more often natural stone is originating from countries such as India and China. When it comes to these countries people are regularly exposed to stories of child labour, environmental damage and low wages. Do these injustices also play a role in natural stone production and processing? The natural stone sector in the Netherlands has gone in search of the answer. On the basis of this quest a fitting answer to this question has been found. In this brochure the Working Group on Sustainable Natural Stone takes you on its journey. Read how you can contribute to a solution.

The Working Group on Sustainable Natural Stone was set up in 2006 by the India Committee of the Netherlands and the Society for Nature and Environment. The aim: to engage stakeholders of the natural stone sector in a dialogue to jointly look at ways of tackling the wrongs that can occur during the extraction and processing of natural stone. The following companies and civil society organisations have been represented in the Working Group: General Dutch Association of Natural Stone Companies (ABN), Association of Dutch Natural Stone Importers (VNNI), Feikema Ltd., Michel Oprey & Beisterveld, RMP Memorial Stones, India Committee of the Netherlands (LIW), Society for Nature and Environment (Natuur en Milieu), Oxfam Novib (the Netherlands), Dutch Centre for International Cooperation (COS Nederland), MVO (corporate social responsibility) the Netherlands, CREM Ltd. and the Centre for Research on Multinational Corporations (SOMO).



# What are the problems?

In recent years there has been increasingly more attention for sustainability during extraction and processing of natural stone. Why? Because the sector is being confronted with the injustices that occur in the product chain such as child labour and environmental damage. Of course, European quarries do not always necessarily function according to international criteria either, but the attention in this area goes especially to production in Asia, Africa and Latin America as the problems there are much more pressing. Some examples of issues that catch the eye? Illegal natural stone extraction in protected nature areas, dangerous working conditions, child labour, pollution of the environment, low worker wages and enforced labour debt burdens. The problems do not occur always and everywhere, and where they do, not necessarily to the same extent. However, for a number of Dutch companies and trade organisations they carry considerable weight, enough so that they have decided to take part in the Working Group on Sustainable Natural Stone.

What is a sustainable product? This is an economically profitable product that has been produced under ecologically and socially justifiable circumstances whereby the potential for people to provide for themselves is not compromised, in either the present or in future generations. Important to realise: the economic, ecological and social aspects of the production process are irrevocably linked to one another. By way of an example, motivated employees can produce a higher output. Furthermore the possibility of future production can be better ensured by more careful use of limited goods such as water.





## How can you make your contribution?

Natural stone passes through many hands. The chain between quarry and end product is often long and complex. Between labourers in the quarry and the (re)users of the (end) products a lot of stakeholders play a role – think also of governments, social organisations, trade unions and financing institutions. Many of these players lack knowledge of the various social and ecological injustices that can occur. These players often do not even consider that the natural stone that they have purchased might have been produced under undesirable circumstances. It also frequently comes down to a lack of concrete operating perspectives: how can a buyer make a contribution to improving sustainability?

Nevertheless there are enough possibilities to influence the product chain. Not only for importers, municipal procurement, architects or the proprietors of garden centres. But also for consumers who are in search of a new work top (for example).

### Find out...

Under which circumstances has the stone you have bought been produced? That can be examined with the seller in the producing country. Purchasers from the Netherlands and other countries that have an increased awareness are raising this question more and more with their suppliers. Civil society organisations and trade unions in the producing countries themselves can make a contribution in the form of additional information and independent verification of the data that purchasers obtain.

For consumers a similar story applies. They can for example ask questions to the importer or the company where the product is purchased, such as: 'what has been done in order to ensure that the purchased natural stone has been produced responsibly?'

### Carry out improvements...

Good trade relationships between suppliers and purchasers offer the opportunity to insist on carrying out improvements in working conditions and in the area of environmental aspects. It is of course even better when the purchaser is able to offer a helping hand in this, for example by bringing in local expertise. A lack of capacity can certainly still be a problem sometimes in emerging markets.

Important to realise: sustainable natural stone can be only produced if all parties, both here and there, fulfil their responsibilities. Together we must take the path to sustainable natural stone.







## Sustainable Natural Stone:

## A rock solid basis for the future

## Code of Conduct

What exactly is sustainably produced natural stone? This is based on respect for people and the environment during the production and processing of natural stone. Compliance with (inter)national legislation and agreements is essential for this. In this way, the working conditions worldwide are regulated by the binding requirements of the International Labour Organization (ILO). These state (among other things) the age at which children may be permitted to work. They also clearly state that a workplace must be safe. Furthermore the economic aspect is important. A supplier needs to make a profit in order to keep its business running. Growing markets and intensifying competition in producing countries put pressure on the production circumstances still further. This relates to the large scale on which negotiations concerning the price occur. But consider this: a fair price is important in order to be able to create good production conditions.

The Guidelines for Multinational Enterprises by the Organisation for Economic Cooperation and Development (OECD) offer further information on sustainable ventures. They describe clearly what governments expect in terms of the behaviour of companies [<http://www.oecd.org/daf/investment/guidelines>]. These guidelines have been used as a reference when drafting the code of conduct for the Working Group on Sustainable Natural Stone.

Further information on, and the requirements of, the International Labour Organization can be found on: <http://www.ilo.org>.

Is a boycott on natural stone from countries such as China and India the solution? No, that is not what the Working Group on Sustainable Natural Stone argues for. A boycott would go at the cost of employment at the local level. Furthermore the growing demand for natural stone from emerging countries can act as a push in the right direction. More money is made available for education and health care for example. Experience teaches us that more and more suppliers in producing countries are quite interested in sustainability issues and respond well to additional demands. In this way, much better working conditions are often offered in new factories.

The Working Group on Sustainable Natural Stone has started to work with these ideas in the back of its mind. This has led to a code of conduct for the natural stone sector. With this code, an interpretation has been made of the terms 'chain responsibility' and 'sustainability'. All companies in the chain can use and apply the code.

The points for attention in the code of conduct are addressed on the following pages.

# Points for attention concerning sustainably produced natural stone

## ■ Legislation and licenses

It is expected that companies will comply with the (inter)national laws and legislation that are applicable in the country where activities are performed. Furthermore companies must be in possession of the required licenses for extraction and/or processing. It is important that companies should, where applicable, pay taxes and royalties. Companies should also of course stay clear of corruption and bribery.

## ■ Relationship with the local environs

The local surroundings are important for companies. This is where they find their buyers, employees, licence distributors, financiers, etc. Responsible companies give attention to maintaining a good relationship with their stakeholders. They can do this by for example, engaging in a dialogue with representatives of local communities and civil society organisations. They also take responsibility in the product chain and illustrate openness concerning their activities.

## ■ Child labour

Companies may not make use of child labour. Companies should not hire employees who have not attained the age of 14 or are under the age for compulsory school attendance. Children under the age of eighteen are not allowed to carry out dangerous work. Companies must comply with national legislation should this be more stringent than these minimum terms.

## ■ Enforced labour

All employees must be in service on a voluntary basis. They shall always be free to seek work with another employer if and when they want. The repayment of a loan may therefore not be used as a reason to enforce the employee to remain in service.

## ■ Discrimination

Companies may not discriminate against people in any way or manner. Background, colour, religion, caste, sex, political opinion, trade union membership and neither physical nor mental restrictions may form any criterion upon which decisions are based. All employees shall have access to equal rights in terms of hiring, rewards, training, promotion, pensions, ending of contracts and all other aspects of work

## ■ Freedom of association and right to collective bargaining

Companies may not hinder employees in any way from joining or establishing a trade union. Companies will partake in collective negotiations with trade unions or other forms of employee representation.

## ■ Remuneration

Companies pay employees a wage or salary that corresponds with the minimum legal standards or with the usual standards of the industry. The wage or salary must be high enough for the employees to be able to provide for the basic needs of themselves and their families, including a certain amount of income that can be used for additional purposes. This is known as the living wage and can be higher than the minimum legal wage.

## ■ Working conditions

Companies are responsible for good working conditions. This should lead to safe and hygienic working conditions for employees. That is brought about in terms of effective measures to prevent accidents and damage to health as a result of work. Furthermore companies must consent to a written agreement with each employee, accept that overwork should only take place on a voluntary basis against additional pay (no longer than 12 additional hours per week) and train employees in order to enable them to carry out their tasks and improve their skills. If it is necessary, companies should also provide housing for employees.

## ■ Environment policy

With their environmental policy, companies can make clear what measures they take in order to minimise the environmental impact of their activities. At the very least, the activities should not lead to a decline in the living environment of local people. Companies may encounter for example measures designed to limit noise pollution or landscape destruction.

## ■ Water

Water is used during the extraction and processing of natural stone. Companies should ensure that their water use does not lead to negative impacts on ground- and surface water levels; this might include undesirable lowering of the water table. As far as is possible, waste water should be recycled in order to reduce water demand as much as possible.

## ■ Pollution

Companies should take measures to minimise their emissions to water and air. Waste should be recycled as far as is possible, and should at least be removed in such a way that it does not pose a threat to the local (living) environment. Efficient processing methods can reduce the required amounts of stone and therefore also waste.

## ■ Biodiversity

Companies should deal carefully with biodiversity (all living things). They should strive to cause as little damage as possible to the ecosystems in which they operate. Moreover companies shall not carry out any operations in areas where biodiversity has a protected status as a result of certain characteristics or value that it possesses for local people. Companies should present a rehabilitation plan, which should be carried out when the quarry is exhausted or for other reasons is no longer in use.

## The focus of the Working Group on Sustainable Natural Stone

Can it already be required that as of now we want all natural stone to be sustainably produced? That is not realistic. But with the code of conduct the Working Group on Sustainable Natural Stone wants to stimulate and give shape to the development of sustainable natural stone. Working together with partners in the producing countries is essential in realising this. In this way a realistic timeline can be developed in order to at least deal with the major issues as soon as possible. Furthermore it will then be possible to work together with local civil society organisations and trade unions to set up a good system in order to monitor improvements.

The Working Group is itself aware that the code of conduct cannot be introduced from one day to another. It costs time to realise the desired improvements. Above all it is not possible to deal with all of the issues at the same time. Within this context the Working Group has chosen to set priorities. With regard to the producing countries, the focus rests on the emerging markets of China and India. Without losing sight of the other criteria in the code of conduct, special attention from suppliers in these countries is required for:

- Taking action against child labour
- Assurance of safe and healthy working conditions
- Payment of sufficient wages so that employees can afford to pay for their basic requirements
- Environmental care: respect for the living environment of local people as well as biodiversity

## 2008 and 2009

The Working Group on Sustainable Natural Stone wants to develop a broader support for sustainable natural stone within the Dutch natural stone sector in 2008 and 2009. Furthermore international cooperation must come up to pace. The Working Group strives for the acceptance and use of the code of conduct in natural stone product chains. That must be the case in both the purchasing countries (purchasers, traders and consumers) and the producing countries (quarries and factories). Why? So that we can be on a path towards sustainable natural stone, together.

The Working Group on Sustainable Natural Stone would like to work on the code of conduct together with interested parties in the natural stone sector. In this way it will be possible to achieve improvements in natural stone product chains. Motivated companies and organisations can contact us via:

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