

Annual Report

2021-2022



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Facts and figures

Participants

- 42 companies in the Netherlands and Flanders are members.
- Market cover is estimated to be 30 percent in the Netherlands.
- Market cover is estimated to be 65 percent in Flanders.

Progress on responsible procurement

- 40 contracting authorities in the Netherlands and Flanders are members.
- At least 12 public procurement procedures for the supply of natural stone to affiliated municipalities in the reporting year asked for application of International Social Criteria or ethical clauses.
- At least 7 public procurement procedures for the supply of natural stone to affiliated municipalities in the reporting year made participation in TruStone a consideration when deciding on selection or awarding of the contract.

Due diligence progress

- 81 percent of the affiliated importing companies are on schedule with the implementation of due diligence.
- 96 percent of the factories and 79 percent of the quarries are generally known to the importing companies who have been affiliated from the beginning.
- 81 percent of affiliated importing companies communicate to the public about the basic principles they follow and about their specific approach in the supply chain.

Support

- Risk analyses are available for 6 important producing countries.
- 8 booklets are available to provide guidance for members in the implementation of due diligence.
- 3 projects have started up in India and Zimbabwe, in which affiliated companies can participate.

Contributions to impact

- 10 companies make use of audits and certificates to discuss and monitor improvement of the environment and social conditions among suppliers.
- 7 companies report results of their own projects – sometimes multi-stakeholder - to direct suppliers.
- 15 companies work together with companies and parties on impact in a collective TruStone project in production countries.

Foreword

We have come to the end of the third year of the TruStone Initiative in practice. This is the stage in which, as they tend to say in the United States: “the rubber hits the road”. Due diligence as prescribed by the OECD Guidelines for participating companies is becoming more thoroughly embedded.

The contours of a ‘post-COVID 19’ economy for participating companies is becoming clearer in this third year. A shift is taking place in markets. Companies participating in the Initiative are finding their way. Naturally these changes have put the entire chain under pressure. I am therefore delighted to conclude that this pressure has not hindered the implementation of the Agreement, or has only done so to a minimal degree. Where there was some hindrance, the increasing cooperation between the companies, public authorities, trade unions and NGOs in the Netherlands and Flanders provided solutions. This cooperation made it possible, taking account of the changes in the market, for all parties to continue looking for solutions in furtherance of the agreement’s objectives.

Society is undergoing a transformation in relation to how due diligence is perceived. The world is getting smaller, we know more and more about what is happening on the other side of the world, and the increased concerns we all feel with regard to climate change, war, migration, and human rights violations (just think of the World Cup in Qatar), are causing society to increasingly seek solutions and move away from accepting that the economy in its current form is not good for everything and everyone. Value-driven enterprise is increasingly the norm. The Agreement supports the sector in achieving this goal. Human rights and employment conditions are far from where they should be across the world. There is still a great deal of improvement to be made in relation to the environment. The circular economy alone offers a lot of opportunity for the sector. Natural stone is a beautiful, natural product. The beauty, the applicability, the connection with the planet continues to ensure that natural stone is a coveted product. There is no reason whatsoever to not produce this beautiful product with the greatest care on all fronts.

I am particularly pleased with the fact that we are seeing an expansion of the number of local authorities joining the Agreement. This is what is truly special about the Initiative – supply and demand have to come together and jointly come up with ideas on how to realise due diligence. The sector and public authorities know that their efforts will fall on fertile ground. This is crucial if we want to have the Initiative’s mission succeed. In this last year we have also concluded that the Initiative is starting to gain traction outside of Belgium and the Netherlands. In the coming year there will be a review on how to shape cooperation with the countries around us. The interim assessment also shows that companies, trade unions and NGOs are enthusiastic. The more participants, the greater the impact. Expansion in the Netherlands and Belgium may not be forgotten in this respect.



With two more formal years ahead, I can conclude that TruStone is still going strong and is starting to look over the horizon. I hope that this annual report shows you everything that has been done, that is still being done, and I hope that you continue to follow us – perhaps even join us - and that you will see how a sector develops and anticipates an economy in which responsible business conduct is the future.

Pieter van der Gaag, *Chairman*

Background

The TruStone Initiative in brief

The TruStone Initiative took effect on 1 October 2019. It involves Dutch and Flemish sector organisations, companies, trade unions, NGOs, and public authorities working together to improve social and environmental conditions in the quarrying and processing of natural stone.

International guidelines on international responsible business conduct form the basis for the Initiative, for example the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Organisation for Economic Co-operation and Development's (OECD) Guidelines for Multinational Enterprises, and the International Labour Organization's (ILO) Core Labour Standards.

Companies that import or process natural stone can sign up to the Initiative, as can contracting authorities that purchase natural stone.

Importing companies are expected to carry out due diligence, namely the process whereby they identify and tackle risks so as to prevent their activities having a negative impact on people and the environment. In concrete terms, this means that companies in the natural stone sector systematically investigate whether they themselves – either directly or through their chain of suppliers or customers – are associated with harm caused somewhere within that chain to people, animals, nature, and the environment. This means not only actual harm sustained but also the risk of it occurring. Companies that have identified their involvement in harm, or the risk of it, must take measures. Due diligence is not just a one-off action; as part of business operations, it is a continuous process.

Processing companies and contracting authorities are expected to question importers and ultimately to purchase only natural stone whose quarrying and processing comply with the standards laid down in the international guidelines.

The participating companies and contracting authorities do not have to do this all on their own. The aim of the Initiative is for companies, their industry associations, public authorities, trade unions, and civil society organisations to join forces to tackle the problems jointly.

Third-year report

The present report covers the first year of the Agreement, running from 1 October 2021 to 30 September 2022.

The report is largely based on data provided by companies, in confidence, using a specially developed web tool. Companies are themselves responsible for the reliability of the data. In some cases, evidence such as audit reports has been provided.

The companies' reports are assessed by the TruStone Initiative's independent Secretariat (accommodated at the Social and Economic Council of the Netherlands (SER)). The Secretariat uses an assessment framework adopted by the parties, with the requirements being made more stringent each year.

Impressions of the natural stone supply chains

This chapter provides a picture of the origin of natural stone that is imported by Dutch and Flemish companies and of the risks identified by the companies when quarrying and processing natural stone. This picture is evolving over time.

Participating companies are gradually implementing due diligence. A timeline has been established by some of the parties to chart a supply chain: after three years, companies must have insight into at least 75 percent of the quarries where the natural stone has been quarried and into 100 percent of the factories where the materials are processed. On average, companies that have been a member for three years know about 79 percent of their quarries and 96 percent of their factories. The more complete that picture is, the more effective the contribution it can make to improvements. Chapter 3 goes into this in greater detail.

Companies

The natural stone sector in the Netherlands and Flanders consists of a couple of hundred companies that import and/or process natural stone. Most companies that are a member of the TruStone Initiative are active as wholesaler and/or importer in various sub-markets such as funeral monuments, countertops or public projects, like squares, façades and quays. A number of companies specialise in one of these products.

Far and away most companies are deemed part of the small- and medium-sized enterprise sector (SME). The number of chains per company – i.e. the entire process from quarry to user – varies from a few to many dozens:

- Fewer than 5 chains: 2 companies
- Between 5 and 10 chains: 8 companies
- Between 10 and 50 chains: 19 companies
- More than 50 chains: 1 company.

Origin

Production locations that deliver to Dutch and Flemish companies are based in approx. 20 countries. The table below presents the most important production countries, looking at the number of Dutch or Flemish companies that have materials processed in a factory directly or via an agent or exporter.

Country	Number of companies reporting year 1	Number of companies reporting year 2	Number of companies reporting year 3
India	20	22	23
China	14	19	19
Vietnam	12	11	10
Portugal	5	10	9
Spain	6	9	7
Italy	4	9	7
Turkey	4	7	7
Brazil	5	7	7
Zimbabwe	3	4	6
Egypt	6	6	5

In production countries the quarrying of the materials takes place in various quarry areas. Quarry areas from which five or more participating companies procure stone:

Number of companies	Reporting year 1	Reporting year 2	Reporting year 3
10	Bundi, Rajasthan, India	Prakasam, Andhra Pradesh, India	Soignies, Hainaut, Belgium
9	Prakasam, Andhra Pradesh, India	Porto, Região Norte, Portugal Jiaxiang, Shandong, China Bundi, Rajasthan, India	
8		Chittoor, Andhra Pradesh, India Changtai, Fujian, China Yên Định, Thanh Hoa, Vietnam	Prakasam, Andhra Pradesh, India
7	Chittoor, Andhra Pradesh, India	Bojanala, North-west, South Africa	
6	Rangareddy, Telangana, India Yên Định, Thanh Hoa, Vietnam	Massa and Carrara, Tuscany, Italy Vikarabad, Telangana, India (formerly deemed part of Rangareddy)	Jiaxiang, Shandong, China Changtai, Fujian, China Yên Định, Thanh Hoa, Vietnam Mutoko, Mashonaland East, Zimbabwe Porto, Região Norte, Portugal
5	Papagaios, Minas Gerais, Brazil Changtai, Fujian, China Jiaxiang, Shandong, China Warangal, Telangana, India Bojanala, North-west, South Africa	Hainaut, Soignies, Belgium Chamarajnar, Karnataka, India Karimnagar, Telangana, India	Bojanala, North-west, South Africa Bundi, Rajasthan, India

The overview of quarry areas particularly shows a reduction in the number of companies that procure from quarry areas in Asia. At the same time, the overview of countries shows that importers remain active in Asia. An important explanation is that many importers, as a result of high transport costs, have taken far less volume from those countries. This applies particularly with regard to materials for which alternatives are available in Europe or North Africa. The costs of transport have started dropping again. It is expected that many importers will return to the quarry areas from which they previously procured stone.

Materials

Materials that are imported are basalt, granite, limestone, slate, marble, and sandstone.

Granite is the most commonly imported material. China and India have traditionally been the most important suppliers. They have been joined by Portugal and a number of African countries in the past few years. Granite for public outdoor areas now often also comes from Portugal in addition to China. Granite, in particular the black and dark-grey shades, comes from India, and now increasingly from countries in Africa (Angola, South Africa and Zimbabwe). This is often used for countertops and grave monuments.

In the past years sandstone that is imported by affiliated companies primarily came from Rajasthan in India. In the past year a number of companies imported alternative materials from North Africa (Egypt and Morocco).

Marble is imported from many different countries. China has lost a lot of ground in the past year due to the high transport prices. Italy and Turkey are now important suppliers.



Marble quarry in Carrara, Italy

Risks

The affiliated companies reported to the independent secretariat about risks (see 3.2.2). Due to the Covid pandemic, in the first two reporting years it was difficult to make personal visits. In the past year it was still difficult to visit a number of countries, particularly China. Companies did have online talks with their suppliers and delivered a lot of supporting material to the secretariat, like audit reports, certificates and e-mail correspondence with suppliers. Sometimes photo reports were submitted of visits that had been made.

Just as in preceding years, companies have a more complete picture of risks at factories, often the direct supplier, than for the links further in the chain, such as cobble yards and quarries (see Chapter 3). Audit reports and certificates which were delivered more commonly concern factories rather than quarries.

Non-compliances that arise from audit reports, relatively frequently relate to the lack of safety instructions or training or the lack of environmental plans. Systemic risks are frequently not signalled in such reports. Systemic risks are risks that play a role at regional level and are often interrelated. The TruStone risk analysis of Rajasthan in India signals, for example, that the lack of proper personnel records increases the risk of low wages, which in turn can lead to forced labour and child labour. During the assessment talks, both the location risks and the systemic risks are discussed.

Systemic risks are signalled in country reports which are drawn up on the instruction of TruStone parties. These reports already exist for India (Rajasthan and Telangana), China and Zimbabwe. In the coming year reports are expected from Vietnam, Turkey, Brazil and Egypt.

The risk analyses executed in the framework of TruStone can be found [here](#).

Value of audit reports

Lizette Vosman, Arisa

"Audits can bring wrongdoings and labour rights breaches to light. The information from audit reports can be used by companies to improve the working conditions for employees in the chain. It is essential that the parties involved take action on the results of an audit and take responsibility for the encountered (risks) of labour rights breaches.

An audit is a snapshot of the situation on location and does not provide a complete picture. It is good to bear a number of matters in mind. Auditors must have sufficient knowledge of labour rights, including the right to freedom of association (trade unions). This knowledge can be used to engage in discussion with management and employees about possible risks. It is important in such case to have discussion with employees outside of the management's supervision, and preferably outside of the workplace, in order to get the best possible picture of the actual situation.

In addition, it is good if audit reports are public and available to workers and stakeholders at the same factory or quarry. This contributes to further transparency. The audit is one of the elements of good due diligence, supplemented by other activities such as consultation of local stakeholders.

Civil society organisations and the TruStone secretariat are more than happy to advise companies that want to execute audits."

Results year 3

Demand

New indicators and goals

Goals have been agreed in Article 3 of the Agreement for application of International Social Criteria (ISC) or ethical clauses in public procurement. The goals were expressed as a percentage of the procurement volume of natural stone. When drawing up the second progress report, the steering group had to conclude that details on the tendered volume of natural stone in the Netherlands and Flanders regarding the use of ISC/ethical clauses are not available. For that reason, in the past year the steering group, after consultation with contracting authorities, established new indicators and goals to monitor the progress of responsible procurement by public clients, see the schedule below.

	Participation of contracting authorities in TruStone	Use of ISC/ethical clauses by affiliated contracting authorities
Year 3	45	ISC/ethical clauses included in: - 50% procurement documents (selection/awarding of contract) - 75% contracts
Year 4	60	ISC/ethical clauses included in: - 75% procurement documents (selection/awarding of contract) - 100% contracts

1.2 Participation of contracting authorities

The number of contracting authorities participating in the TruStone Initiative at the end of the third reporting year: 40. This concerns 10 Dutch and 30 Flemish contracting authorities. The municipalities of Rotterdam and Duffel joined in the reporting year.

The list of affiliated contracting authorities can be found [here](#).

Use of International Social Criteria

On the basis of a survey supplemented with information from Tendered, we have been able to gather information on 13 public procurement procedures for natural stone by affiliated contracting authorities. The ISC / ethical clauses were used in 12 public procurement procedures: 7 times in selection or awarding and 12 times in the contract.

These numbers are not complete, so that no statements can be made about achieving the goals for year 3. Not all affiliated contracting authorities have reported back. Informal procurement procedures have not been counted. Public procurements by non-affiliated contracting authorities, even if they are known to the secretariat, have not been counted. The actual numbers are thus higher.

Activities on the part of the Initiative

Recruitment

During the reporting year a consultant engaged in various recruitment activities on instruction of first Arisa and then the FNV trade union. The consultant wrote to, among others, several dozens of municipalities (council members and aldermen). Written questions were presented in the municipality of Utrecht. The municipal executive then indicated that it primarily purchases European natural stone, and that it first wants to further develop the knowledge and capacity in the area of responsible procurement before making a decision to join the Initiative. The municipality of Haarlemmermeer has indicated that its procurement officer will contact TruStone the next time the municipality purchases natural stone again. This does not happen often. At a number of those municipalities, the decision making on joining TruStone is still ongoing. The municipality of Breda joined the TruStone Initiative after the reporting year.

Breda, leading by example

Jeroen Bruijns, alderman for Outside Areas and Breda Region

"In the municipality of Breda we have long been doing our best to only make use of sustainably sourced natural stone. Human rights and the environment are key issues for us. It requires a great deal of effort on our part to be able to guarantee that the purchased natural stone does indeed satisfy the International Social Criteria (ISC). TruStone gives us even greater certainty as to the origin. We are happy to make our contribution in this respect. We believe that as a city we must lead by example in this respect. By standing together and taking a strong position at international level, we can make a real difference."

The Initiative's secretariat provided information during three meetings: a conference for public procurement staff on 18 May 2022 in Brussels, a webinar organised by the Association of Flemish Cities and Municipalities on 22 September 2022 and the Expo for Public Space on 6 October 2022 in Utrecht.

The parties and the secretariat furthermore held talks with the Walloon central government and the German regional governments on social conditions in relation to public procurement procedures. The municipality of Berlin has accepted TruStone as a recognised initiative. The Walloon government has included promotion of TruStone in its contribution to the second Belgian national action plan Business & Human Rights (see 4.1).

Support

Contracting authorities can obtain information from the secretariat as to the due diligence of their suppliers. In the past year, contracting authorities asked questions three times about individual suppliers. In addition, six contracting authorities asked more general questions about the application of ISC or about risks in production countries.

Supply

Participation of companies

	Year 1	Year 2	Year 3	Goal year 3
Netherlands				
Importers	15	19	21	39
Processors	4	4	6	45
Share in import (estimate)	25%	28%	30%	50%
Flanders				
Importers	14	14	13	40
Processors	2	2	2	123
Share in import (estimate)	65%	65%	65%	90%

During the reporting year, 4 new Dutch companies joined. This means that the increase in the number of participating Dutch and Flemish companies has not reached the year 3 target. The parties and secretariat approached companies in the reporting year. Companies sometimes need time to decide to participate. The parties therefore expect a growth in the number of participants in year 4. At the same time, it became clear that processors do not always see the added value of membership. Although the parties, in cooperation with the NOA (Netherlands Business Association for Finishing Companies), are trying to get the group of processing companies interested, it is not realistic to assume that the chosen goals will be realised.

A list of participating companies can be found [here](#).

Implementation of due diligence

	Goal		Realisation	
	Year 2 companies	Year 3 companies	Year 2 companies	Year 3 companies
Implementation of due diligence	Score of 40%	Score of 60%	6 of the 7 companies are satisfactory	19 of the 24 companies are satisfactory
Insight into the chain	Insight into: 100% direct suppliers 75% factories 75% quarry areas 50% quarries	Insight into: 100% direct suppliers 100% factories 100% quarry areas 75% quarries	6 of the 7 companies are satisfactory	19 of the 24 companies are satisfactory
Action plan	All importers in risk countries submit an action plan		5 of the 6 companies are satisfactory	21 of the 23 companies are satisfactory

In total, 42 companies participated in the Initiative in the reporting year:

- The due diligence efforts of 32 companies were assessed in the past year. It was the first assessment for 1 company ('Year 1 companies'), the second assessment for 7 companies ('Year 2 companies') and the third assessment for 24 companies ('Year 3 companies').
- 6 companies do not themselves import and did not have to present an annual report. Advisory discussions were held with 5 of those companies.
- One company did not join the Initiative until the fourth quarter of the reporting year. It will be assessed for the first time next year.
- Two Dutch companies and 1 Flemish company withdrew as of 1 October 2022: Kayden Stone, Deventer Steenhouwerij and Van den Bossche Tegels. These companies indicated that participation in TruStone did not have any added value for them. No assessment discussions were held with those companies. Partly in connection with these withdrawals, the parties will be taking initiatives in Year 4 to engage in increasing consumer awareness, among other actions (see 4.1.2).

Of the 32 companies that have been assessed, there is one Year 1 company and one Year 2 company that only import materials quarried and processed in countries in the European Economic Area. These companies do not have to submit an action plan.

The Year 1 company satisfies the requirements of the first year. 6 of the 7 Year 2 companies satisfy the requirements of the second year. 19 of the 24 Year 3 companies satisfy the requirements of the third year. 4 companies need more time to satisfy the requirements. One company did not participate in the assessment and withdrew as of 1 October 2023.

All participating companies must fill in a questionnaire about their due diligence and are given a score. Year 3 companies must have a minimum score of 60. The Year 3 companies that satisfy the requirements for the relevant year, scored as follows:

	Reporting year 1	Reporting year 2	Reporting year 3
20-40%	8		
40-60%	11	10	
60-75%	2	8	14
75-90%		3	4
>90%			1

The points were awarded on the basis of the [assessment framework](#) established by the parties.

According to the OECD Guidelines, due diligence comprises six steps. The progress is explained below per step.

Step 1: Formulate and anchor policy

All companies have a policy statement, most also have a code of conduct. The policy statement is usually published on the website. The policy statement sets out that the company supports the goals of the TruStone Initiative and implements due diligence in conformity with the international guidelines. The code of conduct is discussed with suppliers. The importers state here what expectations they have of their suppliers in relation to social and environmental circumstances. They often use the TruStone model code of conduct. In the reporting year, importers primarily discussed the code of conduct with direct suppliers, particularly factories, and significantly less with suppliers further down the chain, like quarry owners.

Because there are indications that Chinese suppliers sometimes place orders with other factories than those with which the importer is familiar, various importers supplemented their code of conduct with requirements about transparency and had their suppliers sign them again.

Step 2: Charting the chain

On average, Year 2 companies have 100 percent insight into factories and 86 percent insight into quarries. Their requirement was 75 percent insight for factories and 50 percent for quarries. On average, Year 3 companies have 96 percent insight into factories and 79 percent insight in quarries. Their requirement was 100 percent insight for factories and 75 percent for quarries. Not all Year 3 companies meet the required percentage of insight into the factories because exporters or intermediary traders sometimes do not want any information about the origin. If after repeated urging suppliers fail to cooperate, importers are expected to look for another supplier if possible. Various importers have in the meantime done so.

Companies can identify risks by making visits themselves, executing audits and/or to seeking information from local parties. In the past year it has become easier for companies to visit suppliers themselves than it was in the preceding two years. Companies visited India, Turkey and Brazil in particular. It was not yet possible to visit China. Some companies engaged an agent as an alternative to making a visit themselves. A majority of the companies supplied audit reports or certificates or other supporting material like e-mail correspondence or photo reports. Information was obtained from affiliated civil society organisations or local organisations on only a few occasions.

Step 3: Tackling risks

The goal of the Initiative is to achieve substantial improvements for groups suffering adverse impacts within the natural stone supply chain within a period of three to five years.

To achieve this goal, the following agreements were made in the Initiative:

- Companies will implement due diligence. If they encounter risks in their chain, they must draw up an action plan and contribute to reducing or solving those risks. If they encounter more risks than they can handle, they must first tackle the most serious and likely risks.
- The parties will establish collective projects in cooperation with companies.

In the reporting year, 17 importing companies contributed directly to reducing risks in part of their chains:

- In their own individual projects, which were sometimes multi-stakeholder, 7 companies contributed to improvements among fixed suppliers, often factories, from which they procure a lot of volume (see box for an example);
- 14 companies worked together with companies, NGOs and local parties in a collective TruStone project on a regional approach to risks. An overview of projects and participating companies can be found [here](#);
- 3 companies participated in improvement programmes for factories and quarries of audit companies that issue statements, such as the Xertifix 5-year plan.

In addition, 9 companies participated in joint risk analyses.

Continual improvement requires trust

Fabrice Rogiers, general manager of Stone Consulting / Stone Senses

"Stone Consulting/Stone Senses has been active in Morocco since 2000; 22 years with the same partners. In those 22 years we managed to bring about a real evolution.

Our products are produced in accordance with European standards and requirements. This was made possible in the first instance by making substantial investments in personnel and safe material.

Some of the things we invested in:

- *A bus route was established with various starting times and locations to ensure that all employees could be brought to and from work safely and on time.*
- *Safety clothing was provided in the factories and a safe working environment was created.*
- *The machine fleet was completely renewed, of European manufacture, with all necessary safety and automation.*
- *Investments were made in extraction systems and support systems.*
- *There is drinking water; all employees work in covered spaces, protected from the sun, wind and rain.*
- *There are changing areas and areas for taking a break to eat.*
- *Employees receive a salary that is at least market rate.*
- *There is ongoing dialogue with all employees, to chart both their needs and their expectations. Dialogue is also used to inform them of safety and hygiene rules and to teach them new procedures.*

Changes and adaptations require a lot of patience and persistence. People all over the world like to stick to customs and habits they are used to. A lot of patience is required, along with knowledge of local customs and norms.

We go to Morocco every 10 weeks, to be a consistent and constant part of the growth and adaptations. Being on location on a regular basis creates trust. Over time it also became easier to talk to employees. A good rapport is necessary to be able to make changes to safety and procedures, and test things out. This has become a constant, which in our experience will never stop."

Companies that do not directly contribute to a reduction in risks, often do make an indirect contribution by exerting leverage on their suppliers. For example, they hold suppliers to account for the use of personal protective equipment or give advice regarding safety and the environment. If importers are linked to risks in the chain, and do not themselves cause or contribute to risks, according to the international guidelines this can be a suitable elaboration of the responsibility of companies.

Step 4: Monitoring and assessment

Companies follow the progress of their international RBC policy. They often do that once a year, when they fill in the TruStone webtool. Up to now this did not happen systematically on the basis of clear performance indicators. The action plans that were submitted this year are more specific in terms of goals and actions, so that in the coming years, monitoring of the progress can be improved.

Step 5: Communication

The international guidelines emphasise the importance of public communication on due diligence efforts and the ensuing results. Transparency on international RBC is also

described as 'knowing and showing'. Knowing and showing demonstrates that a company is part of civil society and takes responsibility.

In September 2021 the Initiative published a guide that helps companies to elaborate on the requirements and recommendations that TruStone sets for public communication. Virtually all companies publish both the principles on which their policy is based and their specific approach in the chain.

Step 6: Access to remedy

In March 2021 the independent grievance and dispute mechanism of the TruStone Initiative started. Injured parties can contact this commission if their rights have been breached. The commission has its own [information page](#) where the composition of the commission can be viewed, along with the decisions and the state of affairs relating to grievances which have been taken into consideration.

No reports were made to the commission in the reporting year.

Companies must point out to stakeholders in their chains that they can report issues to the commission. All companies mention the mechanism in their code of conduct and often on their website. The management of factories in particular, quarries to a lesser extent, is consequently aware of the existence of the mechanism. Unfortunately, employees and residents are not really reached in that manner. In the coming years companies will therefore have to draw attention to the mechanism in other ways. In addition, the TruStone parties work together with parties from other agreements to make the grievance and disputes mechanisms better known.

Activities on the part of the Initiative

Recruitment

For companies that fall under the Collective Labour Agreement for the Finishing Industry, joining the TruStone Initiative is financially appealing. Companies that import natural stone that has been quarried or processed in risk countries, receive a discount of 400 euros per year if they become a member of the TruStone Initiative. For companies that do not import themselves or only import materials which have been quarried and processed within the European Economic Area, this means a membership without costs. The discount on the membership is financed through the O&O Finishing Industry Fund and is assessed annually.

In September the steering group decided to appoint consultant Huijver Stone as ambassador of the TruStone Initiative. The most important task is to ensure that more companies join the Agreement. Huijver Stone is going to actively approach companies in the natural stone sector, retailers, infrastructure companies and building contractors. Huijver Stone has years of experience in both the Flemish and the Dutch natural stone sector.

The Initiative secretariat gave a presentation at two conferences: during the Stone & Tile trade show on 17 March 2022 in Ghent and during the VTU Funeral Industry Trade Fair on 30 September 2022 in Gorinchem.

Support

In order to support companies in the implementation of due diligence, the parties, supported by the secretariat, made tools and training courses available.

Civil society organisations, together with the secretariat, presented a webinar on 19 May 2022 about grievances and disputes.

The parties have published four guidance booklets this year: public communication, gender and discrimination, health and safety and children's rights. All guidance booklets are published on the TruStone website.

The secretariat visited eleven companies for an advisory discussion in the past year.

Impact in production countries

Stakeholder dialogue in Rajasthan

In 2021 a broad stakeholder dialogue was started up between the TruStone Initiative, NGO Arisa and companies participating in the TruStone Initiative and sandstone suppliers and local organisations in Rajasthan, India. The goal is to share challenges and good examples and formulate joint practical solutions in order to establish a responsible and sustainable sandstone sector in Rajasthan.

The dialogue has started up a broad movement in the Bundi region in Rajasthan. This has led to the following results:

- The government has set up an e-registration system for non-registered workers. TruStone partners ARAVALI and SFNS help workers in the sector to register with this online scheme.
- The government is building a water facility in Budhpura. Houses and factories are being connected to the water system.
- SFNS and Manjari visit locations on an ongoing basis (stone quarries and cobble yards) to inform workers about their rights.

Stakeholder dialogue in Zimbabwe

On 24 June 2022 a hybrid meeting was held in Zimbabwe with local stakeholders who are active in the natural stone sector and with relevant government institutes. The meeting was organised by the Dutch embassy together with Arisa and the TruStone secretariat. The goal of the meeting was to discuss the findings from the risk analysis about Zimbabwe and to work on a common agenda to tackle the risks identified in Zimbabwe (see paragraph 4.3).

International cooperation

In the past year, Arisa, working together with The Good Lobby and the TruStone secretariat, approached Italian companies and organisations to explain what the TruStone Initiative stands for and why we are seeking cooperation, both when charting chains and when preventing and reducing wrongdoings. On 13 December 2021 there was an online round-table meeting about this topic. The Italian state secretary of Economic Affairs, the vice-president of the European Parliament and a large number of Italian companies participated.

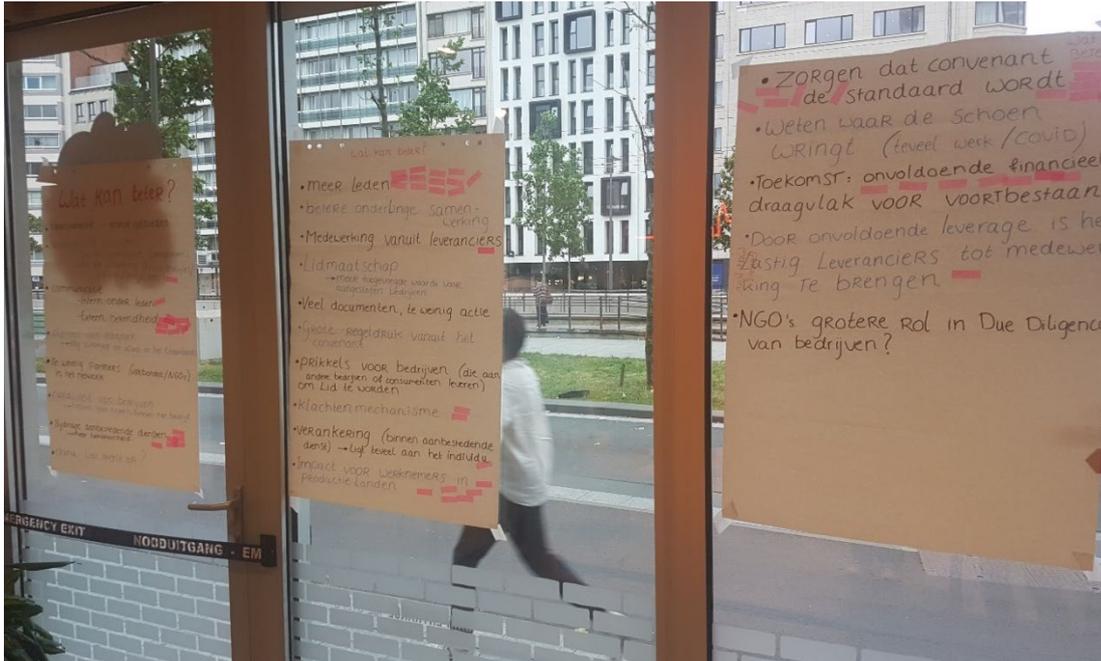
In addition, the parties and the secretariat held talks with Xertifix and DNV Deutscher Naturwerkstein Verband, among others, on possible ventures with German organisations and companies.

During the Marmomac Trade Fair in Verona in September 2022, Arisa, in cooperation with the Italian organisation Human Rights International Corner and the TruStone secretariat, held orientation talks with the Italian sector association, large Italian natural stone companies and organisations in a number of countries, including Spain and Portugal.

Self-assessment

The parties to the Agreement, together with members, carried out an extensive and transparent self-assessment during a meeting on 30 June 2022 in Antwerp. Halfway through the Agreement period, they concluded that while many matters were going well, there was still some work to be done. During the meeting, parties and members stated ten priorities for the future. The parties have since agreed follow-up actions.

A report of the meeting can be found [here \(only available in Dutch\)](#).



Priorities of the participants in the self-assessment meeting

Ambitions for year 4

Demand

Public projects

In the coming years the parties will, in consultation with contracting authorities, explore how due diligence can become more established as the standard in public procurement procedures with natural stone. If necessary, new example texts will be drafted. Results of a survey by the KU Leuven University, that are expected in early 2023, will be involved in this.

The parties will explore what role contractors and construction companies can play. Discussions with construction companies show that they see the importance of due diligence, but that their own role up to now remains limited to passing on the requirements set by contracting authorities to the suppliers of natural stone.

In the past year, the parties and the secretariat held talks with the central government of Wallonia. In September the Walloon government made a contribution to the second Belgian national action plan for Business & Human rights. This included the action point of drawing the attention of Walloon local authorities to the importance of due diligence in public procurement procedures and the role that the TruStone Initiative can play in this respect. This action point will be elaborated further in the coming year.

Consumer markets

Window stickers and leaflets will be printed to make consumers more aware of the importance of sustainable production. The goal is for such materials to support companies, in their direct contacts with consumers, in discussing the conditions in natural stone chains and the contribution of TruStone members in improving these conditions.

The parties will also enter into discussions with intermediaries in sub-sectors like the funeral industry.

Changing the beginning and the end of the chain

Martijn van der Veen, Den Hollandsche / Cuperus

"As a specialist in remembrance services and tangible memories, we make memorials out of all kinds of materials, including natural stone. We have just completed our second reporting year. During this period we were able to learn a great deal about how we can gain more insight into our chain. Together with our natural stone supplier and the TruStone Initiative, we started the first project in India itself: a project to improve the social dialogue in the factories. The goal of this project is to ensure that there is broader support for the following changes that we wish to implement together with the factories.

At the end of the chain we have a firm connection with the funeral industry, which is how many consumers end up finding us. What we have noticed is that many funeral homes have virtually no knowledge at all of where natural stone comes from, let alone the working conditions under which the natural stone is extracted and processed in certain cases. There is also a lack of knowledge about the TruStone Initiative.

Funeral homes often refer consumers to a company that produces funerary monuments, whereby they are implicitly making a choice for a company that is or is not actively engaged in improving its chain. In 2022 we therefore gave a presentation at the Funeral Industry Trade Fair in Gorinchem to make funeral homes aware of TruStone's existence and purpose. We have been engaged for some time in raising awareness in the funeral industry, but these steps require a lot of time. Sustainability is fortunately a topic on which the funeral industry is focusing now. We will continue encouraging progress in this area."

Supply

Support for due diligence

Companies have indicated they find it helpful to have a standard form that can be sent to suppliers with every order. Suppliers can fill in the origin of materials on the form. The parties and the secretariat will develop such a form in consultation with the companies.

In reporting year 3, a start was made in preparing a guidance booklet on trade unions and freedom of association. The planning is for the guidance booklet to be published in the spring of 2023.

Risk Analysis for Vietnam

On 7 December 2022, the independent research agency The Centre presented a risk analysis of the quarrying and processing of blue granite in Vietnam. At present CNV is exploring the options for setting up a joint project, together with affiliated TruStone companies.

Risk analyses for Turkey, Brazil and Egypt

In the past year, civil society organisations started on the first steps toward executing risk analyses in Egypt, Brazil and Turkey. All these analyses will be completed in Year 4. It will then be reviewed whether joint projects can be set up.

Impact in production countries

Stakeholder dialogue in Rajasthan

The current stakeholder dialogue in Rajasthan will be continued. The participants will formulate concrete goals for the remaining term of the Agreement.

Assessment of the stakeholder dialogue in Rajasthan

Lizette Vosman, Arisa

"In the past few years, a total of six online dialogue sessions were held between various TruStone members and their suppliers, the TruStone secretariat, Arisa and the Indian organisations Manjari and the Sustainability Forum on Natural Stone (SFNS). These sessions discussed the risks in the sandstone sector, the underlying causes and possible solutions.

The dialogues created the possibility for the participating parties to learn from each other. Buyers and suppliers engaged in dialogue in a different manner than they were accustomed to and tried to put themselves in the other's shoes. Topics that came up were the lack of a grievance mechanism and the lack of transparency because wages are paid in cash instead of on a bank account. This information was new to many companies. Attention was also paid to the challenges the natural stone sector is facing.

The increasing transport prices, which in turn led to a drop in demand, were discussed at length. This problem has complicated the relationship between buyers and suppliers.

The stakeholder dialogues were analysed in Rajasthan in 2022 in the framework of the SER's 'Meaningful Dialogue in International Chains' project. Preparations, the dialogue process and outcomes were reviewed and discussed. This resulted in interesting insights and learning points, such as the important role that stakeholders play in Rajasthan in this dialogue and the various knowledge levels and perceptions on the goals and results of the dialogue sessions. These learning points will be included in the continuation of the dialogue sessions in 2023 and in other stakeholder dialogues that will be established in the next few years."

Training dialogue with suppliers in China

TruStone published a risk analysis for China in 2021. The risk analysis was based on a review of the literature. In the past reporting year, options for obtaining more in-depth information based on investigations on site were reviewed. After consultation with several companies that purchase materials in China, it was determined that there is no need for further investigation. There is a need for guidance booklets and training on how to deal with cultural differences and how to conduct conversations about social themes with suppliers. The guidance booklets will be published in spring 2023, to be followed by training for both suppliers and importers.

Social dialogue in Tamil Nadu

In 2022 a project was started up by the TruStone Initiative, the FNV trade union, the international trade union BWI, companies participating in the TruStone Initiative and suppliers of granite in Tamil Nadu, India. The goal is to promote social dialogue between management and employees of production locations.

FNV and BWI provided the first training courses in social dialogue for employees and management of Indian suppliers of TruStone members in November 2022. At the same time, in cooperation with Triple R Alliance, importers affiliated with the TruStone Initiative were offered online training on dialogue with suppliers. In the first quarter of 2023 the relevant parties and companies will set up and support worker committees in participating factories.

Closing a gap

Toon Wennekers, manager of FNV Bouwen & Wonen and IRBC activities coordinator

"I was recently in India for the TruStone project in Tamil Nadu. It was a special experience to talk at a production location in India, with employees and employer on establishing a form of structured employee representative. I have learned from this that we in Western Europe almost find this self-evident, but that this is not the case everywhere in the world. During a training course that we followed there, a significant gap had to be closed, leaving our wishes intact, while at the same time showing respect for the local situation. I am grateful that I was able to play a role as substitute. This has contributed to my having not only more understanding but also more admiration for the good work that is being done."



Participants in the social dialogue training course in Tamil Nadu

Zimbabwe Project

The risk analysis of the natural stone sector in Zimbabwe was completed in 2021. This gave companies that imported materials from Zimbabwe better oversight of the actual situation. This year a strategy was developed to improve the situation for those involved. Thanks to a grant from the Fund for Responsible Business of the RVO (the Netherlands Enterprise Agency), four TruStone members and an Italian importer, in a multi-stakeholder project with ActionAid Nederland, Italy and Zimbabwe, are going to take concrete action to tackle risks in 2023.

International cooperation

In year 4 it will be explored in what way the TruStone Initiative can become (better) known in the European market (in particular Italy, Germany and France). For TruStone companies that have business relationships with these countries, the international stature of the Initiative helps to draw attention to the companies themselves, as well as their efforts relating to responsible business conduct and ultimately achieving greater impact.

Together with Human Rights International Corner (HRIC), Arisa will offer training in the area of due diligence for Italian importers.

TruStone 2.0

During the self-assessment meeting it turned out that there is broad support for continuing with the Initiative after the first term. The current Agreement offers a good basis, but participants feel that for an effective follow-up, a number of questions have to be explored first: expansion with other parties, expansion to or cooperation with other EU countries, expansion to composite and ceramic, alternative financing (e.g. European funds). A task group has been established in the meantime that is carrying out such an

exploratory review. During the fourth and the fifth year, talks could start focusing on specific actions for moving forward.

Expanding TruStone to more EU countries is absolutely necessary!

Henny Plat, union representative of FNV

"The trade unions ACV-BIE, CNV Vakmensen and FNV are much in favour of TruStone being introduced in more European countries. The expansion of TruStone has considerable advantages. Not only for the people who work in the natural stone chain, but also outside of it.

Trade unions believe expansion is necessary because:

- *More influence at the beginning of the chain*

An expansion will substantially reinforce the base. The bigger the base, the greater the influence at the beginning of the chain. The greater the number of customers asking the question, the more weight it carries.

- *Reinforcement of the position of TruStone members*

Expansion in the EU will result in a reinforcement of the position of the TruStone members relating to other EU countries that import and process natural stone.

- *Better position for Dutch and Flemish companies*

Germany's affiliation with TruStone gives Dutch and Flemish companies a better position, because fewer other certificates are necessary.

- *It is easier to implement International RBC policy*

A lot of natural stone is imported via Italy. The more big importers who join, the easier it becomes to implement international BRC policy together.

- *Good example for other sectors*

Expansion of TruStone in Europe will be a good example for IRBC agreements in other sectors in an EU context, like food and textile.

- *Encouragement for improvements within the EU*

Within the EU there are countries that can do with these improvements. Think particularly of employees with temporary contracts. We also see this in other sectors such as the food sector. Expansion of TruStone might increase awareness of unlawful behaviour, which in turn may have a positive impact."

Colophon

This is the third annual report of the International RBC Initiative TruStone. In the Agreement, companies, industry associations, trade unions, civil society organisations (NGOs), and public authorities from the Netherlands and Flanders are working together. The aims of the Agreement are to ensure better working and environmental conditions in the quarrying and processing of natural stone. This annual report was published in April 2023.

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