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B8-0368/2015

MOTION FOR A RESOLUTION

to wind up the debate on the statement by the Commission

pursuant to Rule 123(2) of the Rules of Procedure

on the second anniversary of the Rana Plaza building collapse and progress of the Bangladesh Sustainability Compact
(2015/2589(RSP))

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on behalf of the S&D Group

B8-0368/2015

European Parliament resolution on the second anniversary of the Rana Plaza building collapse and the state of play of the Sustainability Compact (2015/2589(RSP))

The European Parliament,

- having regard to the EC-Bangladesh Cooperation Agreement of 2001,
- having regard to its previous resolutions on Bangladesh, in particular those of 14 January 2014¹, 21 November 2013² and 14 March 2013³,
- having regard to the updated OECD Guidelines for Multinational Enterprises of 2011,
- having regard to the UN Guiding Principles on Business and Human Rights,
- having regard to the ILO Declaration on Fundamental Principles and Rights at Work,
- having regard to the United Nations Global Compact on human rights, labour, environment and anti-corruption,
- having regard to the Compact for Continuous Improvements in Labour Rights and Factory Safety in the Ready-Made Garment and Knitwear Industry in Bangladesh,
- having regard to the UN Johannesburg Declaration on sustainable consumption and production to promote social and economic development,
- having regard to the UN Guiding Principles on Business and Human Rights, which set a framework for both governments and companies to protect and respect human rights and which were endorsed by the Human Rights Council in June 2011,
- having regard to its resolutions of 6 February 2013 on ‘Corporate Social Responsibility: accountable, transparent and responsible business behaviour and sustainable growth’⁴ and on ‘Corporate Social Responsibility: promoting society’s interests and a route to sustainable and inclusive recovery’⁵,
- having regard to the Commission proposal for a Regulation setting up a Union system for supply chain due diligence aiming at transposing into legislation the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas,
- having regard to the ILO Better Work Bangladesh programme launched in October 2013,

¹ Texts adopted, P7_TA(2014)0045.

² Texts adopted, P7_TA(2013)0516.

³ Texts adopted, P7_TA(2013)0100.

⁴ Texts adopted, P7_TA(2013)0049.

⁵ Texts adopted, P7_TA(2013)0050.

- having regard to the draft law related to due diligence of the parent firms and main contractor companies (N° 2578) adopted at first reading by the French National Assembly on 30 March 2015,
 - having regard to the Sustainability Compact for Continuous Improvements in Labour Rights and Factory Safety in the Ready-Made Garment and Knitwear Industry in Bangladesh,
 - having regard to Rule 123(2) of its Rules of Procedure,
- A. whereas on 24 April 2013 more than 1 100 people were killed and thousands were injured when the Rana Plaza building in Savar, Bangladesh, collapsed;
 - B. whereas at least 112 people died at the Tazreen factory fire, in the Ashulia district, Dhaka, Bangladesh, on 24 November 2012 and 289 people perished in a blaze in Karachi, Pakistan, in September 2012;
 - C. whereas the collapsed building of the Rana Plaza factory was constructed illegally, and did not meet safety standards; whereas, following the disaster, 29 factories have been permanently closed in Bangladesh as a result of significant safety concerns and 17 factories have been partially closed; whereas there remain a significant number of factories that have yet to raise their standards to a sufficient level;
 - D. whereas the Bangladesh ready-made garment (RMG) industry has grown significantly over the space of a few decades to become the second-largest in the world and yet despite the steep increase in production facilities and employment there has been a decline in wages in this sector;
 - E. whereas the RMG industry in Bangladesh employs some 4 million people – of whom about 80 % are women – and indirectly supports the livelihoods of as many as 40 million people – about a quarter of Bangladesh’s population;
 - F. whereas as a result of these tragic events at Rana Plaza and following calls for action by the European Parliament, the EU in collaboration with the Government of Bangladesh, the US and the ILO formed the ‘Compact for Continuous Improvements in Labour Rights and Factory Safety in the Ready-Made Garment and Knitwear Industry in Bangladesh’ (the Sustainability Compact) in July 2013, outlining concrete commitments to improve respect for labour rights, in particular freedom of association and the right to collective bargaining, improving the structural integrity of buildings and promoting responsible business conduct;
 - G. whereas the first review of the Compact took place in October 2014 and concluded that, while progress had been made, further important steps had to be taken by the Government of Bangladesh, notably regarding the improvement and implementation of the Labour Law, improving labour rights in Export Processing Zones (EPZs) and the hiring of more labour inspectors; whereas the second review of the Compact will take place in Autumn 2015;
 - H. whereas the Bangladesh Accord on Fire and Building Safety was signed by 187 apparel

corporations, global and local trade unions, NGOs and workers' rights groups on 13 May 2013, and the Alliance for Bangladesh Worker Safety was established on 9 July 2013 bringing together 26 mainly North American brands;

- I. whereas over 5 000 dependants of the deceased and survivors of the Rana Plaza disaster have still received only 70 % of the compensation they are owed, with around USD 21 million in donations from global brands, the Bangladeshi Prime Minister's Fund, trade unions and civil society being made available in the last year;
- J. whereas, while arrangements are in place to pay a further 30 % of claimants their total claim, the final payment is prevented as a result of a USD 8.5 million shortfall in the funding needed, meaning many vulnerable claimants will be kept waiting;
- K. whereas following the disaster there has been unprecedented demand from European consumers for greater information on where products originate and the conditions in which they are produced – as demonstrated by a recent petition with 1 million signatories successfully calling for Benetton to pay up and improve conditions;
- L. whereas the revised Bangladesh Labour Act (BLA) of 2013, while including some positive reforms, continues to fall well short of international standards with regard to freedom of association and collective bargaining, as highlighted by the ILO Committee of Experts' comments on Conventions 87 and 98, including limitations on the right to elect representatives in full freedom, numerous limitations on the right to strike and broad administrative powers to cancel a union's registration, and whereas the government has stated repeatedly that it has no intention of considering additional amendments;
- M. whereas the Government of Bangladesh has yet to issue the implementing rules and regulations for the BLA 2013 despite repeated promises to do so, which has put the transition to a sustainable garment industry in jeopardy;
- N. whereas trade unions are reporting that the Government of Bangladesh is proactively preventing workers and employers who want to establish their own safety committees, as required by the Bangladesh Accord, from doing so, citing the absence of the regulations;
- O. whereas anti-union discrimination remains a very serious and rapidly growing problem, with employers now able to fire union activists while feigning no knowledge that the workers having filed an application to form a union;
- P. whereas as a Least-Developed Country, Bangladesh benefits from duty-free, quota-free access to the EU market for all its products under the Everything but Arms (EBA) initiative, which covers 55 % of Bangladesh's exports, much of it clothing/textiles, and is therefore bound to ensure the effective implementation of a number of core UN/ILO conventions relating to human rights and labour rights;
- Q. whereas decent work in global supply chains will be a key point on the agenda of the 2016 ILO Conference;

- R. whereas as part of the European Year for Development 2015, the European Commission is launching an EU flagship initiative on responsible management of the supply chain in the garment sector, as a direct result of citizens' concerns at the tragic events;
1. Remembers the victims of the Rana Plaza tragedy on the occasion of the second anniversary; recalls that the Rana Plaza fire was one of the most devastating industrial disasters ever, and extends its condolences to those injured as well to the bereaved families;
 2. Is alarmed by the lack of commitment to real change shown by the Government of Bangladesh, including the failure to make necessary changes to the Bangladesh Labour Act in 2013, which maintains numerous obstacles to the exercise of freedom of association and collective bargaining, the prohibition of trade unions in the EPZs and the lack of effective labour inspection for the enforcement of labour standards;
 3. Calls on the Government of Bangladesh to actively implement all commitments in the Compact as a matter of the highest priority in order to address the numerous persistent problems in the RMG sector;
 4. Calls on the Government of Bangladesh to urgently bring forward implementing rules and regulations for the Bangladesh Labour Act, in full consultation with the Tripartite Consultative Council (TCC), paying particular attention to implementing ILO Conventions 87 and 98 on freedom of association and collective bargaining and ensuring that these also apply without exception in Export Processing Zones (EPZs);
 5. Is highly concerned by reports that newly founded trade unions have suffered discrimination, dismissal and reprisals; is appalled by the widespread anti-union discrimination which prevails in Bangladesh, underlined by well-documented acts of retaliation against unionised workers as well as by acts of physical violence used against trade union leaders and activists, including the murder of trade union leader Aminul Islam; calls on the Government of Bangladesh to arrest and prosecute the perpetrators of the criminal attacks on trade unionists as a priority, in order to end impunity for these crimes and to send a signal that violence against trade unionists will not be tolerated;
 6. Expresses concern that the government has rejected the majority of union registration applications in 2015 for no reason provided in law, and in a way which appears to target independent unions which have been the most successful to date in organising; calls on the Government of Bangladesh to register independent trade unions and ensure their protection from anti-union discrimination;
 7. Deplores the USD 8.5 million shortfall in the total needed to pay compensation for the Rana Plaza disaster from companies whose profits exceed billions of dollars; calls on the international brands responsible, the Government of Bangladesh and representatives of the Bangladesh industry to take immediate steps to address this shortfall in order to compensate victims and their dependents without further delay;
 8. Deeply regrets that after months of stalling, Benetton has only just announced that it will contribute USD 1.1 million to the Rana Plaza Donor Trust Fund, despite the fact that the necessary contribution is estimated to be much higher on the basis of its ability

to pay and the extent of its involvement with Rana Plaza; similarly regrets that every brand linked to Rana Plaza has made insufficient donations, thus failing to live up to their responsibilities to the victims, including Mango, Matalan, and Inditex, who have refused to disclose their donation, with others, such as Walmart and The Children's Place, only contributing a minimal amount;

9. Notes that compensation for the Tazreen fire is now being negotiated on the same basis as the Rana Plaza arrangement; strongly regrets the ongoing delays and calls for compensation to be delivered in a timely manner;
10. Welcomes steps that are being taken towards establishing a permanent employment injury insurance scheme in Bangladesh, and calls on the European Commission to support such efforts, yet notes that while current compensation efforts are outstanding this will remain a barrier to progress in this area;
11. Calls on the Government of Bangladesh to raise the minimum wage in the garment industry, in full consultation with trade unions, in order to ensure that workers are paid at least a living minimum wage, and urges the government to ensure that garment factories actually pay wages due;
12. Calls on the Commission and EU governments and others to consider proposals for improved regulatory frameworks that will ensure that access to remedy and compensation is based on need and not just on the ability of campaign groups to name and shame;
13. Welcomes the fact that the Bangladesh Accord on Fire safety and Building Inspections has carried out intensive factory inspections throughout Bangladesh and that repairs are under way at many sites; supports the important work of the ILO in helping to secure this;
14. Welcomes the commitments made by the Government of Bangladesh to bolster the Department of Inspections of Factories and Establishments (DIFE) and the upgrading of its inspection service in January 2014; notes, however, that this is still incomplete and the additional 200 inspectors still leave it below the necessary level to inspect a workforce of 4 million workers; also notes the inspection database lacks substantive information- and data-sharing capabilities; calls on the Commission and international partners to provide technical assistance and sharing of best practice to assist with the upgrade of DIFE; calls on the Government of Bangladesh to uphold its commitments on labour inspection and to respect ILO Convention 81 and take note of the observations of the ILO supervisory system in this regard, and calls on the government to ensure that it conducts effective inspections in practice;
15. Remains concerned by allegations of endemic corruption in many South Asian nations between health and safety inspectors and clothing factory owners, and calls for more to be done to combat such practices;
16. Welcomes the fact that numerous major fashion and retail brands sourcing RMG from Bangladesh have signed the Accord on Fire and Building Safety to coordinate their efforts to help improve safety in Bangladesh's factories which supply them; in this

context, encourages other companies, including SMEs, to join the Accord within their respective capacities; underlines the need for appropriate involvement of all stakeholders for an effective implementation of the Accord;

17. Calls on the Commission to actively engage with multinational enterprises (MNEs), EU brands and retailers to deepen discussions on Responsible Business Conduct in accordance with internationally recognised guidelines; expects EU companies, including brands and retailers, to ensure full respect of ILO core labour standards, as well as national laws, across their value chains in line with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, as well as engaging in meaningful dialogue with local workers' organisations and representatives;
18. Believes that the lack of access to information in the garment sector is a major obstacle to tackling human rights violations in the global supply chain and that a mandatory reporting system is needed that provides information linking all the actors within the value chain of a single product, from the production place to the retailers;
19. Considers that new EU legislation is necessary to create a legal obligation of corporate Human Rights Due Diligence for EU companies outsourcing production to third countries, including binding measures to secure traceability and transparency through legislation obliging companies that wish to operate on the European market to carry out due diligence and provide information about the entire supply chain of their products, in line with the UN Guiding Principles on Business and Human Rights;
20. Calls on the Commission to respect its obligations to monitor Bangladesh's adherence to human rights, labour and environmental conventions under the Generalised System of Preferences and, if the government has not fulfilled the terms of the Sustainability Compact by July 2015, urges the Commission to open an investigation to determine whether there has been a serious and systematic violation of the labour rights protected under the GSP;
21. Calls on the European External Action Service to ensure that EU officials responsible for trade, if based in EU delegations, receive regular training on CSR issues, in particular with respect to the implementation of the UN's 'Protect, Respect and Remedy' Framework, and that EU delegations function as Union contact points for complaints concerning EU companies and their subsidiaries;
22. Encourages VP/HR Mogherini and Commissioner Malmström to continue to include the ratification of core ILO standards, health and safety inspection and freedom of association in discussions with Bangladesh and other countries on continued preferential trade;
23. Welcomes the European Commission's flagship initiative on responsible management of the supply chain in the garment sector, taking into account existing national initiatives such as those in Germany, the Netherlands, Denmark and France; believes the EU has the ability and duty to be a global champion of supply chain responsibility in response to the unprecedented interest of EU citizens;

24. Instructs its President to forward this resolution to the Council, the European External Action Service, the Vice-President of the European Commission / High Representative of the Union for Foreign Affairs and Security Policy, the EU Special Representative for Human Rights, the governments and parliaments of the Member States, the UN Human Rights Council and the Government and Parliament of Bangladesh.