



2016/2140(INI)

28.02.2017

OPINION

of the Committee on International Trade

for the Committee on Development

on the EU flagship initiative on the garment sector
(2016/2140(INI))

Rapporteur: Sajjad Karim

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SUGGESTIONS

The Committee on International Trade calls on the Committee on Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas the global trade in ready-made garments (RMG) is worth an estimated EUR 2.8 trillion and employs up to 75 million people; whereas about three quarters of these workers are female; whereas gender equality is a driver of development; whereas women's rights fall within the human rights spectrum; whereas the complex nature of garment supply chains leads to low levels of transparency and increases the risk of human rights violations and exploitation; whereas the wages paid are not enough to allow workers to provide their families with basic human necessities;
- B. whereas the EU is a key player as investor, buyer, retailer and consumer in the garment industry and trade, and is therefore most suited to bundle multiple initiatives worldwide to improve substantially the inhuman situation endured by tens of millions of workers in this sector and create a level playing field for all those involved;
- C. whereas, at European level, the textile and garment industry encompasses 185 000 businesses, which employ 1.7 million people, generating a turnover of EUR 166 billion; whereas the EU imports about half of the world's total clothing production; whereas the manufacturing countries are mostly emerging economies;
- D. whereas Article 207 of the Treaty on the Functioning of the European Union (TFEU) stipulates that the EU's trade policy must be built on the principles and objectives of EU external policy; whereas Article 208 of the TFEU establishes the principle of policy coherence for development and sets the eradication of poverty as the main objective; whereas the 'Trade for All' communication bases EU trade policy on three key principles – effectiveness, transparency and values – and has a dedicated section on responsible management of supply chains;
- E. whereas it is firmly established in Article 8 of the TFEU that 'in all its activities, the Union shall aim to eliminate inequalities, and to promote equality, between men and women' and whereas the EU therefore has a duty to mainstream gender equality in all its policies, guaranteeing that men and women benefit equally from social changes, economic growth and the creation of decent jobs, doing away with discrimination and promoting respect for women's rights in the world;
- F. whereas 289 people perished in a blaze in Karachi, Pakistan, in September 2012; whereas, in the same year, a fire at the Tazreen Fashions factory in Bangladesh, caused the death of 117 people and injured more than 200 workers; whereas the Rana Plaza's structural failure in 2013 resulted in 1 129 casualties and caused injuries to approximately 2 500 people;
- G. whereas, following these dramatic events, European consumers' demand for improved transparency and traceability over the entire supply chain has strongly increased;
- H. whereas, despite the various commitments made by the EU, international organisations, local governments and private operators, labour rights protection in supplier countries continues to fall well short of international standards;

- I. whereas the International Labour Organisation (ILO) Decent Work Agenda has, from 2015, become an integral part of the new 2030 Agenda for Sustainable Development;
 - J. whereas many Member States, such as Germany, the Netherlands, Denmark and France, have promoted national programmes;
 - K. whereas all free trade agreements concluded by the EU must include ambitious sustainable development chapters;
 - L. whereas the EU must include among its priorities the promotion of social and environmental standards under the aegis of multilateral bodies such as the World Trade Organisation or the G20, as well as in all its bilateral relations with third countries;
 - M. whereas the UN Guiding Principles on Business and Human Rights have clearly defined the responsibilities of governments and businesses, which are under an obligation to protect and respect human rights irrespective of the point in the supply chain, the country in which production takes place, and of whether it is the country of the company placing the order or of the supplier; whereas the EU has undertaken to encourage the adoption of the Guiding Principles and contribute to their implementation;
1. Deplores the fact that the Commission has still not submitted an ambitious EU-wide flagship initiative on the garment sector, which should be guided by, and aligned with the Organisation for Economic Cooperation and Development (OECD) guidelines, so that businesses can follow a uniform set of standards regarding due diligence and social responsibility and calls on the Commission to launch such an initiative as soon as possible; notes, in addition, that the current multiplication of existing initiatives at local regional and global levels could result in an unpredictable environment for companies; stresses, furthermore, that coordination, sharing information and exchange of best practices contribute to increasing the efficiency of private and public value chain initiatives and achieve positive results on sustainable development;
 2. Believes that the proposal should enable harmonious cooperation with international organisations, such as the UN, the World Trade Organisation (WTO), the ILO and the OECD, establishing common definitions to allow for clearer and better coordinated actions and evaluations; calls for the recognition and valorisation of existing successful initiatives, for example, through sustainable public procurement, linking access to public procurement to compliance with Corporate Social Responsibility schemes; appreciates, in this regard, the ‘Compact for Continuous Improvements in Labour Rights and Factory Safety in the Ready-Made Garment and Knitwear Industry in Bangladesh’ (the Sustainability Compact) as a step forward in relation to monitoring, but calls on the actors involved to achieve full compliance; insists that the Commission take action to remedy the shortfalls indicated by the evaluation reports;
 3. Stresses, therefore, the need to draw up an overview of existing corporate social responsibility measures being implemented by European businesses, in order to be able to identify good practices more effectively and contribute to the creation of a common action framework at European level; recalls, with this in mind, that the private sector has also launched many initiatives to increase the level of responsibility displayed within the supply chain;

4. Calls on the Commission to take into account the special needs of SMEs that make up 90 % of the European garment industry, basing its approach on the scalability principle and paying particular regard to their capacity to deliver on traceability and transparency in line with the OECD guidance, so that SMEs are not made subject to disproportionate burdens; invites the Commission, therefore, to establish a specific helpdesk for SMEs and to support them with tailored capacity-building programmes; considers that the European SMEs and micro-enterprises which are involved in establishing the initiative should also receive European financial support via the COSME programme;
5. Stresses the need for an integrated approach on transparency and traceability concerning the collection of data on human rights, social, environmental and labour performance, to be applied along the whole supply chain with a standardised methodology for measuring the impact of garment value chains on sustainable development in order to increase the coherence of the assessment of corporate social responsibility, which must take account of the diversity of players given the chain's complexity; urges the Commission to go beyond the presentation of a staff working document; points out that, in addition to the OECD Guidance, the main impact areas are covered by other initiatives, such as the UN Guiding Principles on Business and Human Rights, the French law on mandatory due diligence, the UK anti-slavery bill, as well as some industry-driven initiatives that could serve as a basis for such an initiative;
6. Asks the Commission to pay special attention to the aspects of access to justice, remedy for victims and their families and the protection of whistleblowers in this communication;
7. Recalls that the traceability and transparency of the supply chain can make an important contribution to sustained change and recognises that the lack of access to information is crucial in preventing the public becoming aware of human rights violations; reiterates, therefore, the need for due diligence schemes to cover the whole supply chain, linking each product to its respective producers; calls on the Commission, therefore, to increase the traceability and transparency of the supply chain in the garment industry in a realistic and balanced way, which can be pursued while taking into account the diversity of the players in the chain; recommends that trustworthy, clear and meaningful information on sustainability be made available to consumers;
8. Calls on the Commission, in the forthcoming revision of the Generalised Scheme of Preferences (GSP) Regulation, to introduce tariff preferences for textiles which have demonstrably been produced sustainably; considers that the goods should be submitted on a voluntary basis for certification of their sustainable mode of production and that proof thereof should be produced upon import into the EU; believes that in this way, the EU could support the efforts of private industry to make the textile value chain sustainable; considers that this recognition should be granted in accordance with established sustainability criteria and minimum requirements regarding evidence or certification systems; considers that the sustainability requirements should be based, *inter alia*, on international conventions, for example, the ILO's core labour standards or the Convention on Biodiversity; believes moreover, that in this way the production of fair trade products (such as those certified by Social Accountability International (SAI) or under the Fairtrade Textile Standard) would be strengthened and promoted;
9. Stresses that the negotiation by the EU of free trade agreements containing an ambitious

sustainable development chapter represents an opportunity for the EU to help to improve respect for the rights of workers – particularly women – and contribute to the abolition of all forms of child labour and forced labour; stresses that the implementation of free trade agreements facilitates, in particular, the development of a dialogue between businesses and civil society regarding the supply chain in the garment industry, and can thus help to improve production conditions and the safety of workers;

10. Recalls that the establishment of schemes such as the EU Special Incentive Arrangement for Sustainable Development and Good Governance (GSP+), by means of the requirement to ratify and implement the 27 conventions, could help to improve the situation with regard to workers' rights, the promotion of gender equality and the abolition of child labour and forced labour; stresses, with this in mind, the need to monitor carefully the implementation of GSP+ and respect for the conventions by the countries concerned;
11. Encourages the EU and the Member States to promote, through the garment initiative and other trade policy instruments, the effective implementation of the ILO standards on wages and working hours, also with partner countries in the garment sector; calls for the EU, in addition, to provide guidance and support on how to enhance respect for these standards while helping to build sustainable enterprises and improve sustainable employment prospects;
12. Stresses that the Sustainability Compact launched after the Rana Plaza disaster is a worthwhile European initiative, which could serve as a basis for the planning of fresh measures in partnership with third countries in order to pursue the aims of improving working conditions and health and safety at work in the garment industry;
13. Calls on the Commission to continue and intensify its international cooperation with organisations such as the ILO, the OECD or the United Nations in order to promote greater responsibility on the part of players in the supply chain of the textile and garment industries;
14. Calls on supplier countries' governments to engage with all stakeholders to develop industrial relations and collective bargaining and to commit producers to establishing easy-to-access and effective grievances mechanisms, which, according to internationally agreed standards, are among the main guarantees for the proper respect of labour standards and human rights and complement avenues for juridical redress in line with the framework developed by the UN Special Representative on business and human rights;
15. Calls on the Commission to further promote the ratification and implementation of the core ILO conventions and the ILO Decent Work Agenda; calls on the Commission, to this end, to support the ILO, local governments and labour organisations providing capacity-building assistance in industrial relations, as well as in the enforcement of labour rights and labour laws, with a special focus on the eradication of child labour and forced labour, as well as the promotion of the highest standards of health and safety protection;
16. Encourages the EU to develop and pursue a dialogue with certain third countries in order to help improve the rights of workers and respect for human rights in those countries; calls for the EU and the Member States to support the work of the UN, including the United Nations Environment Programme (UNEP), by exploring the possibility of an international treaty that would also improve the effectiveness of corporate social responsibility in the

garment sector;

17. Hopes that the Commission proposal will draw inspiration from the ‘Sustainability Compact’ initiative launched in Bangladesh after the collapse of the Rana Plaza;
18. Asks for clarification on how garments produced in Export Processing Zones, with low or non-existent labour protection, can be identified in general and excluded from the GSP+ scheme in a given beneficiary country;
19. Is convinced that public procurement is useful tool for the promotion of a responsible garment industry;
20. Points out that the global garment industry labour force is highly feminised – about 85 % of workers employed in this sector are women, who often face difficult working conditions and low salaries; calls, therefore, for the gender aspect to be mainstreamed in the EU garment initiative, particularly in order to enable significant progress to be made in relation to wage equality, gender equality, women’s social and labour rights, including maternity protection, and women’s’ participation in collective bargaining;
21. Reiterates its request for sustainable impact assessments to be carried out for every newly negotiated agreement and calls for the gender-disaggregated collection of data;
22. Calls on the Commission to engage with multinational companies, retailers and brands and encourage them to commit to enhanced corporate social responsibility; expects EU companies to guarantee full compliance with the ILO core labour standards across their supply chains in line with the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy; insists that they engage in fruitful dialogues with local workers and organisations; invites the Commission to favour the exchange of best practices;
23. Acknowledges the need for a global level playing field to protect workers from environmental and social dumping; trusts in the EU’s capacity, taking into account its critical mass, to be a global champion and to drive the change; believes that only a multilateral framework can prevent human and labour rights violations; encourages the Commission, therefore, to engage with international partners at the next World Trade Organisation ministerial meeting to launch a global initiative.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	28.2.2017
Result of final vote	+: 32 -: 0 0: 3
Members present for the final vote	Laima Liucija Andrikienė, Maria Arena, Tiziana Beghin, David Campbell Bannerman, Daniel Caspary, Salvatore Cicu, Christofer Fjellner, Karoline Graswander-Hainz, Heidi Hautala, Bernd Lange, David Martin, Emmanuel Maurel, Emma McClarkin, Anne-Marie Mineur, Sorin Moisă, Artis Pabriks, Franck Proust, Tokia Saïfi, Marietje Schaake, Helmut Scholz, Joachim Schuster, Joachim Starbatty, Adam Szejnfeld, Hannu Takkula, Iuliu Winkler
Substitutes present for the final vote	Reimer Böge, Klaus Buchner, Sergio Gutiérrez Prieto, Sander Loones, Georg Mayer, Fernando Ruas, José Ignacio Salafranca Sánchez-Neyra, Pedro Silva Pereira
Substitutes under Rule 200(2) present for the final vote	Jean-François Jalkh, Joëlle Mélin

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

32	+
ALDE	Marietje Schaake, Hannu Takkula
ECR	David Campbell Bannerman, Sander Loones, Emma McClarkin, Joachim Starbatty
EFDD	Tiziana Beghin
GUE/NGL	Anne-Marie Mineur, Helmut Scholz
PPE	Laima Liucija Andrikienė, Reimer Böge, Daniel Caspary, Salvatore Cicu, Christoffer Fjellner, Artis Pabriks, Franck Proust, Fernando Ruas, José Ignacio Salafranca Sánchez-Neyra, Tokia Saïfi, Adam Szejnfeld, Iuliu Winkler
S&D	Maria Arena, Karoline Graswander-Hainz, Sergio Gutiérrez Prieto, Bernd Lange, David Martin, Emmanuel Maurel, Sorin Moisă, Joachim Schuster, Pedro Silva Pereira
Verts/ALE	Klaus Buchner, Heidi Hautala

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3	0
ENF	Jean-François Jalkh, Georg Mayer, Joëlle Mélin

Key to symbols:

+ : in favour

- : against

0 : abstention