

Statement of the CorA-Network for Corporate Accountability and the Clean Clothes Campaign concerning the German Partnership for Sustainable Textiles

For many years, the Clean Clothes Campaign (CCC) and the CorA-Network have been working towards the goal of ensuring that transnational corporations, their subsidiaries and suppliers comply with human rights and internationally recognised social standards and norms.

Factory fires in Pakistan and Bangladesh in autumn 2012 and the collapse of the Rana Plaza building in April 2013 killed and injured thousands of people. These events demonstrate that in textile-producing countries not even minimal standards of health and safety are met. Further problems like wages that fall below the poverty line, sexual harassment at work, the limitation of freedom of association and collective bargaining, as well as the use of toxic and harmful chemicals, have also been known for several years.

In view of these circumstances, the CorA-Network and the CCC strongly advocate for legal regulations including the implementation of mandatory human rights due diligence for companies, as laid out in the UN Guiding Principles for Business and Human Rights. Legal regulations would ensure that all companies comply with human rights and internationally recognised social and ecological standards. Companies would then be obligated to identify, prevent and mitigate the human rights-related risks of their activities and business relationships.

As legal regulations are not yet in place, the CCC and the CorA-network appreciate the voluntary Partnership for Sustainable Textiles initiated by the minister for economic cooperation and development, Gerd Müller. It is an important step towards promoting social and ecological standards in the global supply-chain of textiles. The CorA network and the CCC welcome the fact that the whole value chain, from cotton fields to final product, is taken into account, and that companies in Germany are advised to change their procurement policies through adequate pricing and realistic delivery times. Another positive aspect of the Action Plan set up for the Sustainable Textiles Partnership is that it requires companies to strive for the payment of living wages. The time frame for these developments is set for 2020 and 2025 respectively.

Furthermore, the Action Plan sets the objective of improving framework conditions in producing countries, also suggesting changes aimed at political bodies e.g. on the topic of political coherence within Germany and the EU. This signifies a clear intention to act on these topics on the EU-level as well as internationally.

The fact that none of the big actors in the textile sector like Adidas, Aldi, KiK, Lidl, Otto, Tchibo, Puma or the trade associations HDE and AVE have joined the Partnership for Sustainable Textiles is seen as the biggest obstacle by the CCC and the CorA-network. More than 100 days after the establishment of the Partnership, it mostly consists of companies that have already established reputations for fair and ecologically-sound production beforehand.

The refusal of the big actors to join the Partnership highlights the need for the implementation of mandatory regulations for all companies. German textile companies should not be able to choose if they want to comply with human rights and minimum social and ecological standards or not.

Concrete expectations for the Partnership for Sustainable Textiles and the Federal Government:

- If a critical mass of companies does not join the voluntary partnership until June 2015, the Federal Government should develop a **model for a legal regulation** until the end of 2015. This law should contain a mandatory human rights due diligence comprising the entire value chain, including sanctions for companies in case of violations, as suggested by the UN Guiding Principles for Business and Human Rights. Minister Müller has already referred to legal regulations in case the voluntary partnership is not successful.

If there is a critical mass of companies and associations joining the Partnership for Sustainable Textiles until June 2015, the CCC and CorA expect the following:

1. The **Action Plan**, including the time schedules, **should be defined more precisely and realised quickly**.
2. **Pilot projects upstream of (clothing) production in the supply chain (cotton production, spinning, weaving)**, should be established in **selected countries of production** (India and Bangladesh, amongst others), with support from the Federal Ministry of Economic Cooperation and Development (BMZ).
3. The BMZ should support the development of verifying initiatives and certifications with high requirements.

4. The Federal Government should use its **own purchase power** to promote high social and ecological standards in the production of clothes, orienting its procurement towards ecological and social criteria. Guided by the new EU procurement directive, it should favour those (workwear) garment companies that have joined the Partnership for Sustainable Textiles, or can show credible evidence.
5. An obligatory **traceability of textiles** should be introduced and **transparency** should be established by disclosing the EU-import documents and customs declarations, for example by introducing an electronic label system or a connection between a label number and an online database.
6. **The Federal Government at the EU-level, together with other states, should promote trade policies oriented towards human rights.** This should consist of:
 - a. a systematic **survey of possible effects of EU-trade agreements on human rights before signing them.** In previous sustainability impact assessments, the effects on the social human rights of poverty groups, such as garment workers, have not been taken into account. In the pending revision of the Handbook for Sustainability Impact Assessment for trade agreements, human rights should be anchored as a fundamental criterion. Furthermore, the negotiations should not happen in secret, but should be conducted transparently, meaning the negotiation documents should be available and accessible to civil society.
 - b. a **reform of the human rights clauses in the EU-trade agreements.** To date, the implementation of social and human rights clauses is hardly checked and violations remain without consequences. **In future, human rights clauses should allow a suspension and revision of the terms of contracts** if they are proven to be a danger for human and labour rights. Furthermore, there should be a regular **human rights impact assessment** and the establishment of a **complaints mechanism** for civil society in future trade agreements. After approximately two years, the Commission should submit an interim statement, concerning the compliance of social and human rights clauses.
 - c. a systematic **survey of compliance with human rights and labour rights requirements of the Generalised System of Preferences (GSP)**, through which several countries have a duty- and quota-free (EBA) or a preferred (GSP plus and general GSP) access to the EU-market. In case of serious and systematic violations of human rights treaties and ILO core conventions, the EU should use the proposals of the GSP plus to suspend trade preferences.