

FESI

Proposals for consideration

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

Brussels, 10 April 2017

Introduction:

FESI, the Federation of the European Sporting goods Industry, salutes the opportunity to provide the European Parliament with additional comprehensive material and background information in view of the plenary vote on European Parliament own initiative on the EU flagship initiative on the garment sector (2016/2140(INI)).

In addition, and based on tangible knowledge from the field, FESI also took the liberty of suggesting specific wording proposals for your consideration ahead of the final vote. These proposals are built on the extensive experience of actors (brands, retailers, suppliers, manufacturers) working in this domain on a daily basis, and reflects a factual vision of initiatives on the ground. Our input is based on the following principles:

1. Proactive & sensible leadership practices in the sporting goods industry

Sporting Goods companies are frontrunners when it comes to responsible management of their Supply Chains. Our members have a long standing experience of being involved with and in global multi-stakeholder platforms such as ILO. Many of our members have been operating supply chain compliance management systems for many years that contributed to significant improvements in their respective supply chains. The complexity of our

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members' supply chains requires a large amount of time and effort in order to establish a consensus with numerous actors. Therefore our members are proactively engaged in a large number of public, private and national initiatives such as the Sustainable Apparel Coalition (SAC), Ethical Trading Association, BSCI, the Fair Labour Association (FLA), The Fair Wear Foundation, the Better Cotton Initiative (BCI) and ZDHC - just to name a few.

2. Global supply chains: multiplex & continuously changing

FESI has significant concerns regarding the proposed binding requirements across the supply chain applying to brands and retailers. The existing collaboration within FESI's constituency between brands, retailers and Tier 1 operators has proven positive impacts. It is nevertheless very difficult at the moment – and we expect for some time – to leverage the Tier 2, 3 and 4 levels due to the complexity of the garment industry supply chain.

FESI members operate in very complex supply chains, with larger companies often having several thousands of suppliers in many tiers, which are also continuously changing. Concrete opportunities for companies to influence the supply chain are varied and depend especially on the number of suppliers involved, as well as the structure and complexity of the supply chain and the market position of the company relative to the supplier.

There is a common belief that leading companies control their supply chains as buyers and use their market power to dictate the prices and details of the production in the supply chain. In reality, this situation is very different and a buyer's ability to influence the business conduct of the supplied actually depends on the market position. Not only, do small and medium sized-companies (75% of FESI membership) often have little leverage over their suppliers, but large multinationals may also find themselves similarly constrained when they source only a marginal quantity of the supplier's production or when the supplier has a monopoly. Brands and buyers also have constraints in seeking to drive change in the lower tiers of the supply chain due to their lack of direct contractual relationships with the producers which results in less leverage to influence change.

3. Encourage communication, harmonization and standardization based on existing scalable global initiatives

A growing number of national, regional and international initiatives are developed without having a tangible connection to each other. This situation creates an unpredictable and complex environment for companies operating in a global and already complicated supply chain. In this respect, our members

see the added value of the European Union’s efforts to harmonise and converge existing national initiatives in order to create an ‘even level playing field’ in the EU for companies.

FESI members also encourage the Commission to work on the adoption of a common language, including standard definitions and to assess the statistical data between the various stakeholders: OECD, ILO, WTO, European Commission, World Bank and IFM. We advocate this in order to avoid confusion as result of misinterpretation and to elaborate coherent initiatives between the public bodies involved in this field, which have various competences. A joint understanding between the European Commission and interested Member States on sustainable value chains and standardised systems, would allow a consistent European approach to the sustainable management of garment value chains, notably by facilitating due diligent plans.

<i>European Parliament Report</i>	<i>FESI comments</i>	<i>Proposed wording</i>
<p>A. whereas economic development should go hand-in-hand with social justice and good governance policy; whereas the complexity and fragmentation of global value chains (GVCs) require complementary policies to bring about a process of continuous improvement to make GVCs and production chains sustainable and to create value in supply chains, as well as studies into the impact of organisational structures in the sector, the coordination system and the bargaining power of network members on the development of these processes; whereas complementary flanking measures</p>	<p>FESI welcomes articles that recognise the complexity of global value chains (GVCs) and the economic importance of the textile sector. FESI also supports further studies and assessment of the sector’s bargaining power as mentioned.</p>	



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are required to guard against the potential adverse impact of those chains; whereas the victims of human rights violations should be guaranteed effective access to remedy;		
B. whereas 60 million people worldwide work in the textile and clothing sector, which creates many jobs, particularly in developing countries;	FESI supports	
C. whereas textile manufacturers in developing countries are constantly exposed to aggressive purchasing practices by the international wholesale and retail trade, which is also due to fierce global competition;	Textile manufacturers are not only confronted to international pressure but also local competition which undermines the stability of the initiatives of our membership; a number of local manufacturers operate in the informal sector and do not manufacture for international exports.	C. whereas textile manufacturers in developing countries are constantly exposed to aggressive local competition taking place in the informal sector purchasing practices by and the international wholesale and retail trade, which is also due to fierce global competition;
D. whereas the victims of the three most deadly incidents in the garment sectors (Rana Plaza, Tazreen and Ali Enterprises) have received or are in the process of receiving compensation for the loss of income; whereas the granting of compensation in this case is in line with ILO Convention 121 and is the result of unprecedented cooperation between brands, trade unions, civil society, governments and the ILO; whereas given the widespread violation of key human rights, actual remedy remains rare;	FESI recognises the fundamental importance of ILO convention. ILO 121 does specify country requirements to manage duties of care in case of accidents but does not hold buyers accountable for paying compensation. Compensations from brands have been purely voluntary.	

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<p>E. whereas the victims of human rights abuses involving European companies face multiple obstacles to access judicial remedies, including procedural obstacles on admissibility and the disclosure of evidence, litigation costs that are often prohibitive, an absence of clear liability standards for corporate involvement in human rights abuses and a lack of clarity on the application of EU rules on private international law in transnational civil litigation;</p>	<p>This statement implies that buyers have been accountable for the accident; it should rather stress that governments have the primary duty to ensure effective monitoring of safety standards</p>	
<p>F. whereas Article 207 of the Treaty on the Functioning of the European Union (TFEU) strongly requires that the EU's trade policy be built on the EU's external policies and objectives, concretely those of development cooperation stated in Article 208 TFEU; whereas Article 21 of the Treaty on European Union (TEU) reaffirms that the EU's external actions will be guided by the principles of democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and compliance with the UN Charter and international law;</p>	<p>This is not in opposition with our principles. Nor does it mean we are to act instead of local governments as a respect of democracies and local laws.</p>	

<p>G. whereas the EU is the world's second largest exporter of textile and apparel products after China, thanks to approximately 174 000 textile and apparel companies, 99 % of which are SMEs and which provide jobs to around 1.7 million people; whereas, furthermore, more than one third (34.3 %, representing a total value of EUR 42.29 billion) of the clothing destined for use in Europe is produced by EU companies;</p>	<p>FESI stresses the importance and specificity of SMEs must be recognised.</p>	
<p>H. whereas the ILO Declaration on Fundamental Principles and Rights at Work commits Member States to respect and promote principles and rights in four categories, regardless of whether they have ratified the relevant Conventions, namely: freedom of association and the effective recognition of the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour; the abolition of child labour;</p>		<p>H. whereas the ILO Declaration on Fundamental Principles and Rights at Work commits Member States to respect and promote principles and rights in four categories, regardless of whether they have ratified the relevant Conventions, namely, freedom of association and the effective recognition of the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour and the abolition of child labour;</p>
<p>I. whereas collective bargaining is one means of ensuring that wage and productivity growth go hand-in-hand; whereas, however, the use in the global</p>	<p>Agreed, especially informal work. This also happens more and more in the EU although legislations are in place. One more proof that law does not always deliver the expected results. The informal sector is a significant contributor to</p>	

supply chain of non-standard forms of employment, including subcontracting and informal work, has weakened collective agreements; whereas many workers in the garment sector do not earn a living wage;	lowering labour standards in these countries.	
J. whereas many Member States, such as Germany, the Netherlands, Denmark and France, have promoted national programmes;	4 out of 28 are not many according to general understanding but rather some.	J. whereas many selected Member States, such as Germany, the Netherlands, Denmark and France, have promoted national programmes;
M. 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;	The EU is not the only key player in garment trade. Other Markets also have influential positions. International institutions and national governments of production countries will influence the future debate on sustainability in the garment industry.	M. whereas the EU is one of key players 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;
P. whereas most human rights violations in the garment sector concern various aspects of labour rights, such as the denial of workers' fundamental right to join or form a union of their choosing and bargain collectively in good faith, making it difficult to guarantee that workers can enjoy their fundamental rights in the workplace; whereas this state of affairs has led to widespread labour rights violations,	Overall, the grade of unionisation in these countries is very low and this is not just the case in EPZs.	

<p>including: poverty wages, wage theft, forced labour and child labour, arbitrary dismissals, unsafe workplaces and unhealthy working conditions, violence against women, physical and sexual harassment, and precarious work and work conditions; whereas despite the widespread violation of human rights, actual remedial actions generally remain rare; whereas these decent work deficits are particularly acute in export processing zones (EPZs) linked to global supply chains, which are often characterised by exemptions from labour laws and taxes, and restrictions on trade union activities and collective bargaining;</p>		
<p>Q. whereas voluntary initiatives led by the private sector over the last 20 years, such as codes of conduct, labels, self-assessments and social audits, while having provided relevant frameworks for cooperation on issues such as health and safety at work, have not proven to be effective enough in bringing about a real improvement in workers' rights, especially in terms of respect for human rights and gender equality, increasing the number of workers' rights, consumer awareness, as</p>	<p>What is the definition of effective? Is there an objective study or impact comparison for the last 20 years between:</p> <ul style="list-style-type: none"> - The situation without any initiatives - With Voluntary initiatives With mandatory legislation <p>This statement is factually incorrect and lacks clear evidence; Significant improvements have been achieved in the international export market industry.</p>	<p>Q. whereas initiatives led by the private sector on a voluntary basis over the last 20 years, such as codes of conduct, labels, self-assessments and social audits, while having provided relevant frameworks for cooperation on issues such as health and safety at work, have not proven to be effective enough in achieving a real improvement to eradicating all challenges in workers' rights, especially in terms of respecting human rights and gender equality, increasing workers' rights and consumer awareness, and increasing environmental standards, safety and sustainability in the garment supply chain;</p>

<p>well as environmental standards and safety and sustainability in the garment supply chain;</p>		
<p>R. whereas multistakeholder-initiatives like the German Partnership for Sustainable Textiles or the Dutch Agreement on Sustainable Garment and Textile are bringing stakeholders like the industry, the trade unions, the government and the NGOs to one table; whereas the standards established by these initiatives also encompass environmental issues; whereas these initiatives have not yet entered the implementation phase, so concrete results are still not forthcoming; whereas such national initiatives are necessary due to a lack of an EU legislative initiative; whereas, however, the majority of Member States have not established such initiatives</p>	<p>Choosing a global standard solution over thematically and/or geographically scattered regulations will drive change, whilst including actors from consuming and producing countries. Such harmonised approach will ensure concrete results and positive impacts. The multiplication of national initiatives worldwide will be counterproductive.</p>	<p>R. whereas multi-stakeholder initiatives like the German Partnership for Sustainable Textiles or the Dutch Agreement on Sustainable Garment and Textile are bringing stakeholders like the industry, the trade unions, the government and the NGOs at one table excluding actors from production countries; whereas the standards elaborated by the initiatives also reach out to environmental issues; whereas those initiatives have not yet entered the implementation phase, so concrete results are still outstanding; whereas such national initiatives are necessary due to a lack of an EU legislative initiative harmonisation and exclusion of local stakeholders ; whereas there is still a majority of Member States that don't have any initiative;</p>
<p>S. whereas the efforts of corporations to promote workplace compliance can support, but not replace, the effectiveness and efficiency of public governance systems, namely each state's duty to promote compliance and enforce national labour laws and regulations, including labour administration and inspection functions,</p>	<p>Agreed we cannot replace local governments. Per the UNGPs, the state has a duty to protect, not just to promote</p>	<p>S. whereas efforts of corporations to promote workplace compliance can support, but not replace, the effectiveness and efficiency of public governance systems, namely State's duty to protect human rights promote compliance and enforce national labour laws and regulations, including labour administration and inspection functions, dispute resolution and prosecution of violators, and to ratify</p>

dispute resolution and the prosecution of violators, and to ratify and implement international labour standards;		and implement international labour standards;
T. whereas the trends of the garment industry are still moving towards fast fashion, which poses an enormous threat to and puts enormous pressure on garment workers in the producing countries;	Not all segments of the garment industry are following this trend.	
U. whereas the German Ministry for Development Cooperation has set a target that by 2020 50 % of all German textile imports will have to meet ecological and social criteria;	There are 28 members states not 1 It is noted that there is actually a decline in membership in the German Textile Alliance because of over excessive bureaucracy and documentation.	
V. whereas in order to improve the governance of GVCs, the various instruments and initiatives of policy areas such as trade and investment, private sector support and development cooperation must be harnessed to contribute to the sustainability and responsible management of GVCs as part of delivering the 2030 Agenda for Sustainable Development, which recognises the crucial impact of trade policies in implementing its goals by covering a number of policy areas such as rules of origin, commodity markets, labour rights and gender equality;	Rules of origins need to be simplified and adapted to the business reality of 21 st century. We agree with the crucial impact of trade policies.	

<p>W. whereas the specific characteristics of the garment sector value chains, such as geographically dispersed stages of the production process, different types of garment workers, purchasing policy, low prices, high volumes, short lead times, subcontracting and short-term buyer-supplier relationships, are conducive to reducing the visibility, traceability and transparency of an enterprise's supply chain and to increasing the risks of human rights and labour abuses, environmental damage and inadequate animal welfare as early as the raw-material production stage; whereas transparency and traceability are prerequisites for a company's accountability and responsible consumption; whereas the consumer has the right to know where a piece of clothing was produced and under what social and environmental conditions; whereas guaranteeing consumers the right to reliable, transparent and relevant information on the sustainability of production will help to bring about lasting change in supply chain traceability and transparency in the garment sector;</p>	<p>FESI welcomes the recognition of the specificity of garment GVCs. Transparency and traceability are taken on board by initiatives such as SAC's Higg index.</p> <p>The consumer has the right: is misleading as if it was a legal entitlement. The consumer deserves access to information, and can decide to choose for brands providing him or her with the information he or she is looking for.</p>	<p>W. whereas the specific characteristics of the garment sector value chains, such as geographically dispersed stages of the production process, different types of garment workers, purchasing policy, low prices, high volumes, short lead times, subcontracting and short-term buyer-supplier relationships are conducive to reducing visibility, traceability and transparency over an enterprise's supply chain and to increasing the risks of human rights and labour abuses of environmental damage and of inadequate animal welfare already in the raw-material production; whereas transparency and traceability are prerequisites for a company's accountability and responsible consumption; whereas the consumer, as far he is really interested has the right deserves to know where a piece of clothing was produced, and in which social and environmental conditions, and whereas guaranteeing consumers the right to reliable, transparent and relevant information on the sustainability of production will help to bring about lasting change in supply chain traceability and transparency in the garment sector;</p>
<p>X. whereas women's rights are a</p>	<p>Agreed</p>	



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constitutive part of human rights; whereas gender equality falls within the scope of the Trade and Sustainable Development (TSD) chapters in trade agreements; whereas the specific impact of trade and investment agreements affects women and men differently on account of structural gender inequalities; whereas in order to enhance gender equality and women's rights, the gender dimension should therefore be covered in all trade agreements;		
Y. whereas the employment of women in the garment sector in developing countries contributes significantly to household incomes and poverty reduction;	Important Statement	
Z. whereas children's rights are an integral part of human rights and ending child labour should remain an imperative; whereas the work of children requires specific regulations governing age, working time and types of work;	Agreed	
AA. whereas in December 2016 many trade union activists were arrested in Bangladesh, an event that gave rise to a protest for a living wage and better working conditions; whereas several hundreds of garment workers were dismissed from their	This is to be addressed to the BGL government and not to buyers	

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jobs following the protests; whereas the right of association is still not respected in the producing countries;		
AB. whereas an estimated 70-80% of employees in the ready-made garment sector in production countries are low-skilled female workers and frequently minors; whereas low wages, coupled with low or non-existent social protection make these women and children particularly vulnerable to exploitation; whereas a gender perspective and specific measures on women's empowerment are largely missing in the ongoing sustainability initiatives;	For many "low-skilled" female workers (as the EP Report defines them) a work in the formal garment sector is an improvement from their initial situation which is some cases ranges from unemployment to the informal sector. The development element is often omitted when addressing Global Value Chains. While some minors are involved, the majority of workers are not under the age of 18	AB. whereas an estimated 70-80% of employees in the ready-made garment sector in production countries are low-skilled female workers and frequently including minors ; whereas low wages, coupled with low or non-existent social protection make these women and children particularly vulnerable to exploitation; whereas a gender perspective and specific measures on women's empowerment are largely missing in the ongoing sustainability initiatives;
AC. whereas the private sector plays an essential role in fostering sustainable and inclusive economic growth in developing countries; whereas the economies of some developing countries depend on the garment industry; whereas the expansion of this industry has allowed many workers to move from the informal economy to the formal sector;	FESI welcomes the recognition of the private sector's role and of initiative in the garment sector.	
AD. whereas the garment sector is the sector with the most sustainability initiatives in progress; whereas some existing	Agreed	

<p>initiatives have helped to improve the situation in the garment sector and efforts should therefore also be continued at European level;</p>		
<p>AE. whereas trade agreements are an important tool to promote decent work in global supply chains in combination with social dialogue and firm-level monitoring;</p>	<p>Agreed</p>	
<p>1. Welcomes the increasing attention given to the promotion of decent working conditions through global supply chains following the Rana Plaza factory collapse, the introduction of the draft French law on mandatory due diligence, the UK anti-slavery bill, the Dutch Agreement on Sustainable Garment and Textile, the German Partnership for Sustainable Textiles, and the statement made by President Juncker at the G7 Summit in favour of 'urgent action' to improve responsibility in global supply chains, in which increased attention is being paid to the promotion of sustainability, transparency and traceability for the value and production chains; acknowledges the Commission's commitment towards responsible management of supply chains, including in</p>	<p>FESI supports the Higg Index approach.</p>	<p>1. Welcomes the increasing attention given to promoting decent working conditions through global supply chains following the Rana Plaza factory collapse, the introduction of the draft French law on mandatory due diligence, the UK anti-slavery bill, the Dutch Agreement on Sustainable Textile and Garment, the German Partnership for Sustainable Textiles, and the statement made by President Juncker at the G7 Summit in favour of 'urgent action' to improve responsibility in global supply chains, in which increased attention is being paid to the promotion of sustainability, transparency and traceability for the value and production chains; acknowledges the Commission's commitment towards responsible management of supply chains, including in the garment sector, as outlined in the Communication entitled 'Trade for All'; welcomes the green card initiative in which eight Member States have called for a duty of care by EU-based</p>



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<p>the garment sector, as outlined in the Communication entitled 'Trade for All'; welcomes the green card initiative in which eight Member States have called for a duty of care by EU-based companies towards individuals and communities whose human rights and local environment are affected by the activities of those companies; welcomes the holistic approach of the Higg Index in measuring enterprises' environmental, social and labour impacts; stresses the need to continue improvements to the Higg Index and to improve its transparency;</p>		<p>companies towards individuals and communities whose human rights and local environment are affected by the companies' activities; welcomes the holistic approach of the Higg Index in developing ways of measuring enterprises' environmental, social and labour impacts; urges the continuation of field testing and continued improvements and transparency of the Higg Index;</p>
<p>2. Welcomes the cooperation agreement concluded between Inditex and IndustriALL Global Union, which together represent 50 million workers in 140 countries, on improving supply chain management in the garment sector; emphasises that the future of the garment sector will depend on improving sustainable productivity and traceability so as to ensure the effective identification of the processes taking place throughout the value chain, which will make it possible to identify and introduce improvements;</p>	<p>FESI questions why some examples are isolated and mentioned whereas there are many more initiatives. Several brands and buyers have signed cooperation agreements with IndustriALL. FESI believes all best practices and leaders should be recognised.</p>	<p>2. Welcomes the individual global framework the cooperation agreements concluded between Inditex and IndustriALL Global Union industry and trade unions – which together represent 50 million workers in 140 countries – on improving supply chain management in the garment sector; emphasises that the future of the garment sector is dependent on improving sustainable productivity and traceability so as to ensure the effective identification of the processes taking place throughout the value chain, which will make it possible to identify and introduce improvements;</p>
<p>3. Welcomes the approach of the</p>	<p>Industry and governments have responded to Rana Plaza</p>	

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<p>legally binding Bangladesh Accord on Fire and Building Safety as well as the Bangladesh Sustainability Compact launched by the Commission together with Bangladesh and the ILO following the Rana Plaza disaster in 2013, as it includes provisions for trade unions and the remediation of inspected factories, and calls for its deadline to be extended; stresses the importance of continuing to monitor the compact's objectives in order to improve workers' rights, as well as the need for more responsible management of supply chains globally; asks the Commission to conduct a thorough evaluation into the compact, outlining any progress or lack thereof, including eventual modifications to the trade regime if needed, especially in light of the reports of the ILO supervisory mechanisms; calls on the Commission to pursue similar programmes and measures with other garment-producing EU trade partners such as Sri Lanka, India or Pakistan;</p>	<p>disaster with two multi-stakeholder initiatives: Bangladesh accord on Fire and Building Safety and the Alliance for Bangladesh Worker Safety. FESI believes all best practices and multi-stakeholder initiatives should be recognised.</p>	
<p>4. Supports the Commission's examination of a possible EU-wide initiative on the garment sector; notes, in addition, that the current accumulation of existing</p>	<p>Many studies show that consumers are not influenced by labels that do not highlight economic savings for them. FESI believes that the information could be made available in numerous different ways; flexibility is needed.</p>	<p>4. Supports the Commission's examination of a possible EU-wide initiative on the garment sector; notes, in addition, that the current multiplication of existing initiatives could result in an unpredictable</p>

<p>initiatives could result in an unpredictable environment for companies; believes that a new proposal should address human rights-related issues, promote the sustainability, traceability and transparency of value chains, enhance conscious consumption and target labour rights and gender equality in particular; believes that EU consumers have the right to be informed on the sustainability and compliance with human rights and the environment of garment industry products; believes, in this regard, that EU legislative efforts and initiatives on garments should be made visible on the final product;</p>	<p>Nowadays there are many (technological) methods for providing information to end consumers in a more environmental friendly and less costly way.</p>	<p>environment for companies; believes that a new proposal should seek to simplify and harmonise existing initiatives to address human rights related issues, promote the sustainability, the traceability and the transparency of value chains, enhance conscious consumption, focus on labour rights and gender equality; believes that the EU consumers have the right deserve to be informed on conformity of garment industry products with sustainability and respect for human rights and environment based on meaningful measurable, replicable, comparable verifiable data, ; believes that EU legislative effort policies and initiatives to this regard on garments should be made visible in the final product;</p>
<p>5. Calls on the Commission to go beyond the presentation of a Staff Working Document and present a legislative proposal on binding due diligence obligations for supply chains in the garment sector; stresses that this legislative proposal must be aligned with the new OECD guidelines on due diligence in the garment and footwear sector, the OECD Guidelines for Multinational Enterprises which are importing into the European Union, the ILO resolution on decent work in supply chains</p>		<p>5. Supports the Commission's Staff Working Document and to present a legislative proposal on binding developing due diligence principles obligations for supply chains in the garment sector; stresses that these legislative proposals must should be aligned with the new OECD guidelines on due diligence in the garment and foot-wear sector, the OECD Guidelines for Multinational Enterprises, that are importing into the European Union, the ILO resolution on decent work in supply chains and internationally agreed standards on human rights and social and environmental standards</p>

<p>and internationally agreed human rights, social and environmental standards ;</p>		
<p>6. Emphasises that the new OECD guidelines should be the leading principle in the Commission legislative proposal; stresses that this legislative proposal should include core standards, such as occupational health and safety, health standards, a living wage, freedom of association and collective bargaining, the prevention of sexual harassment and violence in the workplace and the elimination of forced and child labour; calls on the Commission to further address the following matters: key criteria for sustainable production, transparency and traceability, including the transparent collection of data and tools for consumer information, due diligence checks and auditing, access to remedy, gender equality, children’s rights, supply-chain due diligence reporting, the responsibility of companies in the event of man-made disasters and awareness raising in the European Union; encourages the Commission to acknowledge other national legislative proposals and initiatives that have the same goal as the legislation, once those proposals and</p>	<p>All of the points mentioned have been or are in the process of being implemented by the “serious” operators in the industry already.</p>	<p>6. Emphasises that the new OECD guidelines should be the leading principle in the Commission legislative proposals; stresses that this legislative proposal policies should include consider core standards like occupational health and safety, health standards, a living wage, freedom of association and of collective bargaining, prevention of sexual harassment and violence at the workplace, eliminating forced and child labour; calls on the Commission to further address the following matters: key criteria for sustainable production, transparency and traceability, including transparent collection of data and tools for consumer information based on existing performance and impact measurement initiatives, due diligence checks and auditing, access to remedy, gender equality, children’s rights, supply-chain due diligence reporting, the responsibility of companies in the event of man-made disasters, awareness raising in the European Union; encourages the Commission to acknowledge other national legislative proposals and initiatives with the same goal as the legislation, once they have been audited and have met the requirements</p>

<p>initiatives have been audited and shown to meet the requirements of the European legislation;</p>		
<p>7. Reiterates its call for the Commission to extend corporate social responsibility and binding due diligence initiatives beyond existing frameworks for the garment sector so as to ensure that the EU and its trading partners and operators fulfil their obligation to respect both human rights and the highest social and environmental standards; emphasises that the garment industry in the European Union shall also comply with ILO standards, such as a living wage or decent working conditions; urges the Commission to pay attention to remuneration and the working conditions in the garment sector in the Member States; urges the Member States to implement the ILO standards in the garment sector;</p>		<p>7. Reiterates its call on the Commission to extend corporate social responsibility and binding due diligence initiatives beyond including strengthening existing frameworks for the garment sector, so as to ensure that the EU itself and its trading partners and operators live up to the obligation to respect both human rights and the highest social and environmental standards; emphasises that the garment industry in the European Union shall also comply with <u>ILO standards</u>, like a living wage or decent working conditions; urges the Commission to pay attention to remuneration and the working conditions in the garment sector in the Member States of the EU; urges the EU Member States to implement the ILO standards in the garment sector;</p>
<p>8. Calls on the Commission to promote actively the use of ecological and sustainably managed raw materials like cotton and to promote the re-use and recycling of garments and textiles within the European Union through the specific provisions in the legislative proposal on the garment sector;</p>	<p>FESI supports this article. However, cotton itself is an unsustainable fiber. The article should reference organic cotton, tencel and other low impact materials (Polyester has indeed less of an LCA impact than normal cotton.) More information: http://www.made-by.org/consultancy/tools/environmental/</p>	<p>8. Calls on the Commission to promote actively the use of ecological and sustainably managed <u>raw materials based on best available research</u> and to promote the <u>re-use and recycling of garments and textiles within the European Union through the specific provisions in the legislative proposal on the garment sector</u>; calls on the EU, Member States and</p>



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<p>calls on the EU, Member States and businesses to increase funding for research and development, including in the field of recycling of clothes, aiming at building a sustainable alternative sourcing of raw materials for the EU garment sector; welcomes initiatives aiming to implement the highest and strictest existing Animal Welfare standards (like the Responsible Down Standard and the Responsible Wool Standard) and urges the Commission to follow them as guidelines to introduce specific provisions in its legislative proposal; calls on the Commission to put in place additional resources in institutions in order to follow up on the flagship initiative;</p>		<p>businesses to increase funding for research and development, including in the field of recycling of clothes, aiming at building a sustainable alternative sourcing of raw materials for the EU garment sector; welcomes initiatives aiming to implement the highest and strictest existing Animal Welfare standards (like the Responsible Down Standard and the Responsible Wool Standard) and urges the Commission to follow them as guidelines to introduce specific provisions in its policies legislative proposal; calls on the Commission to put in place additional resources in institutions in order to follow up on the flagship initiative;</p>
<p>10. Stresses the importance of implementation, enforcement or transposition of already existing legislation at regional, national and international levels;</p>	<p>FESI supports already existing initiatives for the garment sector, to avoid counterproductive overregulation.</p>	
<p>13. Calls on the Commission to present a comprehensive strategy on how development, aid for trade and public procurement policies can support a fairer and more sustainable garment supply chain and local micro-enterprises, by promoting best practices and giving incentives to</p>	<p>Agreed</p>	

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<p>private sector actors that invest in the sustainability and fairness of their supply chains, from the fibre farmer to the final consumer;</p>		
<p>14. Believes that informing consumers plays a key role in assuring decent working conditions, a need highlighted by the Rana Plaza collapse; calls for consumers to be provided with clear, trustworthy information about sustainability in the garment sector, where products originate from and the extent to which workers' rights have been respected; recommends that information gathered as a result of EU action should be publicly available, and asks the Commission and the Member States to look into setting up a public online database of all relevant information regarding all actors along the supply chain;</p>	<p>The outcomes of the Product Environmental Footprint (PEF) Footwear Pilot market tests, performed in 2016 under the PEF initiative led by the European Commission (DG ENV), shows that environmental labels are not a deciding factor in consumers' purchasing decisions. In light of this, Given this new learning, FESI would welcome further research investigation, and impact assessment studies and additional pilots to define which communication vehicles could potentially drive influence concrete consumers' behaviour changes. Unless research shows otherwise, FESI recommends deleting this article.</p>	<p>To be deleted.</p>
<p>15. Calls for more awareness-raising among European consumers regarding the production of textile products; proposes, to this end, the development of EU-wide labelling standards for 'fair clothing', accessible to both multinational companies and SMEs, to indicate that fair working conditions have been respected and to</p>	<p>As mentioned on article 23; studies show that consumers are not influenced by labels that do not highlight economic savings for them. FESI believes that the information could be made available in numerous different ways; flexibility is needed. Nowadays there are many (technological) methods for providing information to end consumers in a more environmental friendly and less costly way.</p>	<p>15. Calls for more awareness-raising among European consumers regarding the production of textile products; proposes, to this end, the development of EU-wide labelling communication standards approach for 'fair clothing', taking into consideration and including already existing social and environmental initiatives, accessible to both multinational companies and SMEs, to indicate that</p>

assist customers in their purchasing decisions with better information;		fair working conditions have been respected and to assist customers in their purchasing decisions with better information;
16. Stresses the need for collecting and publishing comprehensive data on corporate sustainability performance; calls, in this context, for the elaboration of common definitions and standards in a harmonised approach for the collection, comparison and assessment of statistical data notably of general imports as well as individual production locations, and requests the Commission to take an initiative to mandatorily disclose the production locations;	The Commission shall rather harmonise measurement approached than elaborate new ones.	16. Stresses the need for collecting and publishing comprehensive data on corporate sustainability performance; calls, in this context, for the harmonised elaboration of common definitions and standards in a harmonised approach for the collection, comparison and assessment of statistical data based on existing performance and impact measurement initiatives , notably of general imports as well as individual production locations, and requests the Commission to take an initiative to mandatorily disclose the production locations;
17. Calls on the Commission to develop a wide variety of monitoring systems in the EU garment sector using Key performance indicators – encompassing data collection using surveys, audits and data analysis techniques that can effectively measure performance and address their impacts on development, labour rights and human rights in the entire garment supply chain;	Agreed	17. Calls on the Commission to adopt an efficient and wide implemented develop a wide variety of monitoring systems in the EU garment sector using Key performance indicators – encompassing data collection using surveys, audits and data analysis techniques that can effectively measure performance and address their impacts on development, labour rights and human rights in the entire garment supply chain; based on and including existing performance and impact measurement initiatives ;
18. Believes that it is crucial to ensure	Mandatory new reporting scheme would create yet	18. Believes that it is crucial to ensure increased



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<p>increased access to information on the conduct of enterprises; considers it fundamental to introduce an effective and compulsory reporting system and due diligence for garment products entering the EU market; believes that responsibility should extend throughout the entire supply chain, including sub-contractors in the formal and informal economy, including in Export processing zones, and commends existing efforts to this effect; believes that the EU is best placed to develop a common framework through legislation on mandatory transnational due diligence, remedy for victims, and supply chain transparency and traceability, while paying also attention to the protection of whistle-blowers; recommends that trustworthy, clear and meaningful information on sustainability be made available to consumers;</p>	<p>another reporting standard implying huge additional cost without generating extra value for the public –without ensuring this mandatory reporting scheme would be adopted outside of the European Union in a harmonised approach.</p> <p>Buyers will not be able to identify sub-contractors in the informal economy by definition.</p>	<p>access to information on the conduct of enterprises;considers it fundamental to introduce an effective and compulsory reporting system and due diligence for garment products entering the EU market; believes that responsibility should extend throughout the entire supply chain, including sub-contractors in the formal and informal economy, including in Export processing zones, and commends existing efforts to this effect; believes that the EU is best well placed to harmonize develop a common framework through legislation on mandatory initiatives on transnational due diligence, remedy for victims, and supply chain transparency and traceability, while paying also attention to the protection of whistle-blowers; recommends that trustworthy, clear and meaningful information on sustainability be made available to consumers;</p>
<p>19. Points out that coordination, sharing information and exchange of best practices may contribute to increasing efficiency of private and public value chain initiatives and achieve positive results on sustainable development;</p>	<p>Agreed</p>	

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<p>21. Notes that price is still a determining factor in the buying practices of brands and retailers, often at the expense of workers' welfare and wages; calls for the EU to work with all relevant stakeholders to promote a successful social partnership and to support stakeholders in the development and implementation of wage-setting mechanisms in accordance with relevant ILO conventions, especially in countries where there is a lack of adequate legislation; stresses the need for workers to be guaranteed the regular payment of an adequate wage that permits them and their families to meet their basic needs without having to put in regular overtime; stresses the need for collective bargaining agreements to prevent negative wage-cost competition and the need to raise consumer awareness of the potential consequences of a demand for ever-lower prices;</p>		<p>21. Notes that price is still a determining factor in the buying practices of brands and retailers according to research, often at the expense of workers' welfare and wages; <u>calls for the EU to work with all relevant stakeholders to promote a successful social partnership and to support stakeholders</u> in the development and implementation of wage-setting mechanisms in accordance with relevant ILO conventions, especially in countries where there is a lack of adequate legislation; stresses the need for workers to be guaranteed the regular payment of an adequate wage that permits them and their families to meet their basic needs without having to put in regular overtime; stresses the need for collective bargaining agreements to prevent negative wage-cost competition and the need to raise consumer awareness of the potential consequences of a demand for ever-lower prices; explores to further monitor the approach taken by industry-wide initiative Action, Collaboration, Transformation, working towards ensuring living wages through national, industry-wide collective bargaining agreements in producing countries as well as improving brand purchasing practices.</p>
<p>22. Emphasises that the governments of producer countries must be able to</p>	<p>Agreed</p>	

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<p>implement international standards and norms, including drawing up, implementing and enforcing appropriate legislation, particularly in relation to establishing the rule of law and combating corruption; calls on the Commission to support producer countries in this area under the EU's development policy;</p>		
<p>23. Acknowledges that, while the responsibility of enforcing labour laws remain with the State, developing countries may have limited capacity and resources to effectively monitor and enforce compliance with law and regulations; to close the governance gap, calls on the EU, in the remit of its development cooperation programmes, to strengthen capacity building and to provide governments of developing countries with technical assistance on labour administration and inspection systems, including in subcontracting factories, and access to appropriate and effective remedy and complaint mechanism, including in EPZs, where long working hours, forced overtime and pay discrimination are common practise;</p>	<p>Agree with local capacity building</p>	

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<p>24. Emphasises the importance of labour inspections and social audits in the clothing and footwear supply chain; takes the view that too often these only show the situation at the time the inspection is carried out; recommends that further action be taken to improve inspections and audits, including training for inspectors and the approximation of inspection standards and methods via cooperation with the garment industry and producer countries;</p>	<p>Strengthening of audit capacity of local inspectors by local government is critical.</p>	<p>24. Emphasises the importance of local labour inspections and social audits commissioned by the governments in the clothing and footwear supply chain; recommends that further action be taken to improve inspections and audits, including training for local inspectors and the approximation of inspection standards and methods via cooperation with the garment industry</p>
<p>26. Notes that the garment industry creates jobs for a wide range of skillsets, from low-skilled workers to highly specialised roles;</p>	<p>Important statement</p>	
<p>29. Calls on the Commission to be committed to human rights, including children's rights, and to promoting good governance and binding human rights and social and environmental clauses in the negotiation of international and bilateral agreements; regrets that current human rights clauses in free trade agreements and other economic partnership agreements are not always fully respected by the signatory states; reiterates, in this regard, the need to reinforce all instruments to guarantee legal certainty;</p>	<p>Agreed. FESI is in favour of such provisions in bilateral trade agreements. The Commission could develop a list of key performance indicators to assess the enforcement of such provisions.</p>	

<p>30. 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;</p>	<p>Guidance and data welcome</p>	
<p>32. Highlights the important role of the garment sector as a driver of labour-intensive development for emerging economies, especially Asia's emerging markets;</p>	<p>Agreed. As shown by all our efforts, initiatives and resources mobilised</p>	
<p>36. Considers that sustainable development chapters of EU trade agreements should be mandatory and enforceable, so as to effectively improve the lives of people, and stresses that a clause promoting the ratification and implementation of ILO conventions and the Decent Work Agenda must be included in both bilateral and multilateral trade agreements; recalls that the establishment of schemes such as the EU Special Incentive</p>	<p>As regards GSP, it is not clear what the amendment means. There is a risk of proposing WTO incompatible elements, since it targets a specific product/industry rather than giving an incentive to eliminate a set of unwanted practices for all industries. The tariff concessions through GSP+ are already linked to the fulfilment of 27 UN Conventions for the entire country. Linking it to a specific product is therefore in one way superfluous, but could also be WTO incompatible.</p>	<p>36. Considers that sustainable development chapters of EU trade agreements should be mandatory and enforceable, so as to effectively improve the lives of people, and stresses that a clause promoting the ratification and implementation of ILO conventions and the Decent Work Agenda must be included in both bilateral and multilateral trade agreements; recalls that the establishment of schemes such as the EU Special Incentive Arrangement for Sustainable Development and Good Governance (GSP+), by means of the</p>



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<p>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; calls for the EU to ensure that human rights conditions linked to unilateral trade preferences such as GSP or GSP+ are effectively implemented and monitored; calls on the Commission to introduce tariff preferences for demonstrably proven sustainably produced textiles in the forthcoming reform of the GSP / GSP + rules; urges the Commission to recognise established sustainability criteria and minimum requirements for detection and certification systems on the basis of international conventions, such as the core ILO labour standards or biodiversity protection standards; calls on the Commission to promote the production of Fair Trade products through this instrument</p>		<p>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; calls on the EU to ensure that human rights conditions linked to unilateral trade preferences such as GSP or GSP+ are effectively implemented and monitored; calls the on Commission to introduce tariff preferences for demonstrably proven sustainably produced textiles in the forthcoming reform of the GSP / GSP + rules; urges the Commission to recognise established sustainability criteria and minimum requirements for the detection and certification systems on the basis of international conventions, such as the core labour standards of the International Labour Organization or the protection of biodiversity; calls on the Commission to promote the production of Fair Trade products through this instrument of tariff preferences, and to give more weight to ILO reports and its supervisory bodies findings in its monitoring and evaluation activities and to better liaise with local agencies of the ILO and the United Nations in the beneficiary country, to fully take into account</p>
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of tariff preferences, and to give more weight to ILO reports and the findings of its supervisory bodies in its monitoring and evaluation activities and to better liaise with local agencies of the ILO and the United Nations in the beneficiary country, so as to fully take into account their views and their experience;		their views and their experience;
38. Recalls that taxation is an important tool for the promotion of decent work; deems, with a view to ensuring that all companies, including multinationals, pay taxes to the governments of countries where economic activity occurs and value is created, that tax incentives such as tax exemptions in EPZs should be reconsidered alongside exemptions from national labour law and regulations;	FESI supports the reference to taxes. In our opinion a powerful tool can be developed through tax incentives/relief rather than tax pressure/additional taxes.	
39. Warmly welcomes the work initiated in the preparation of a binding UN Treaty on Business and Human Rights which it is believed will enhance social corporate responsibility, including in the garment sector; regrets any obstructive behaviour in relation to this process, and calls for the EU and its Member States to engage constructively in these negotiations;		To be deleted

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<p>41. Calls on the Commission to put in place specific measures so that European SMEs may gain access to financial and policy tools, with a special focus on the capacity of those SMEs to deliver on traceability and transparency so that new requirements do not impose a disproportionate burden, and to help them to connect with responsible manufacturers;</p>	<p>Agreed</p>	
<p>43. Recalls that the inclusion of social provisions in public procurement processes can have a strong effect on workers' rights and working conditions along global supply chains; regrets, however, that according to ILO studies , most social provisions limit the responsibilities to the first-tier contractor, while subcontracting and outsourcing provisions are included in public procurement contracts on an ad hoc basis; calls for the EU to provide assistance to developing countries to enable public procurement policy to be a tool to promote fundamental principles and rights at work;</p>	<p>Agreed</p>	



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Founded in 1960 FESI - the Federation of the European Sporting Goods Industry represents the interests of approximately 1,800 sporting goods manufacturers (85% of the European market) through its 12 National Sporting Goods Industry Federations and its directly affiliated member companies. 70-75% of FESI's membership is made up of Small and Medium Sized Enterprises. In total, the European Sporting Goods Industry employs over 650,000 EU citizens and has an annual turnover of some 66 billion euro.

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