

GS INITIATIVE FOR GLOBAL SOLIDARITY



Sustainability Forward

News from the Initiative for Global Solidarity

May 2023

The Initiative for Global Solidarity (IGS) promotes the implementation of human rights and environmental due diligence in global supply chains by scaling and harmonising proven approaches.

The IGS enables buying and supplying companies, particularly in the garment and electronics sector, to exercise shared responsibility for the impacts of their business practices on people and the planet.

The initiative is working on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

Further information can be found here:

www.giz.de/en/worldwide/104594.html

International Accord

International Accord on Health and Safety

IGS to support the implementation of the Accord for Health and Safety in the Textile and Garment Industry in Pakistan.

10 years ago, over 1,100 people – mostly garment workers – lost their lives when the Rana Plaza building collapsed in Bangladesh. The tragedy triggered a long-overdue international debate on inhuman working conditions, exploitation, and the responsibility of corporations and governments. Since then, collective efforts of brands, manufacturers, trade unions, and civil society organisations with support from the local government have achieved significant progress in health and safety in the Bangladeshi textile and garment industry. The Accord on Fire and Building Safety in Bangladesh and its successor organisation RMG Sustainability Council (RSC) council played a decisive role in this. Until today, nearly 56,000 safety inspections at over 2,400 garment factories were conducted. Over 140,000 safety issues at these factories have been addressed, 1,400 safety committees been trained and 1,500 occupational health and safety complaints been resolved, contributing to safer working conditions for workers.

The program is now being transferred to Pakistan. In the framework of its Due Diligence Facility (for more info see <u>Sustainability Forward from February 2023</u>, IGS will join forces with the Accord in its endeavour in Pakistan. As part of their commitment, signatory brands and retailers cover the costs of safety inspections and support remediation. IGS will contribute to capacity-building and training, an effective grievance mechanism and the development of models for financing remediation. Over the last months, the International Accord Secretariat and IGS have been in close contact to substantiate the collaboration



THE ACCORD IN A NUTSHELL

The International Accord for Health and Safety in the Textile and Garment Industry is an unprecedented legally binding agreement between more than 180 garment brands and global unions, IndustriALL and UNI Global Union, to make textile and garment factories safe. It came into effect on September 1, 2021, as the successor to the 2013 and 2018 Accord on Fire and Building Safety in Bangladesh.

On December 14, 2022, the International Accord Steering Committee agreed to the establishment of an Accord health and safety program in Pakistan. The new Pakistan Accord is a legally binding agreement of company and trade union signatories to establish a Country-Specific Safety Program under the International Accord for a term of three years starting in 2023. As of May 2023, a total of 54 brands and retailers have already <u>signed</u> the Pakistan Accord. These brands source from approx. 500 factories in Pakistan, which collectively employ over 760,000 workers.

Activities in Focus Countries

20.-23. March 2023

FWF and IGS work with factories to prevent Gender-Based Violence

The Fairwear Foundation (FWF) organised a Training of Trainers (ToT) on preventing gender-based violence in ready-made garment (RMG) factories in Bangladesh as part of their collaboration with IGS.

The training was held in March, with a total of 24 trainers from Awaj Foundation, Bangladesh Labour Foundation, Karmojibi Nari, Phulki, Safety & Rights Society and SONGSHOPTAQUE. Each of the six organisations will establish or reform Anti-Harassment Committees (AHCs) in ten factories to enable workers to speak out against harassment and violence. By building local capacities and empowering trainers and workers, the project aims to create a safe and welcoming environment for all in the RMG sector of Bangladesh.



Participants of the ToT on preventing gender-based violence

Collaboration with the BGMEA kicks off

IGS and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) join hands to enhance the conditions for comparable and reliable sustainability data and to strengthen capacities on HREDD in the RMG sector.

BGMEA will develop a digital platform for their member factories to collect and publish environment, social and governance (ESG) data. Member factories will receive trainings on data collection, management and reporting as well as for the use of the platform. In addition, BGMEA is establishing a Due Diligence Unit to assist member factories in preparing for Human Rights and Environmental Due Diligence (HREDD) requirements.

"Through this project we believe we will be able to take another giant leap towards sustainability and represent the 'Made in Bangladesh' tag to the entire world as a symbol of excellence."

Farugue Hassan, President of BGMEA

During a consultation workshop on ESG reporting hosted by IGS in March, BGMEA presented its plan for establishing the Digital Data Disclosure Platform to the participating stakeholders, who welcomed this approach. Also present were representatives from Bay City & Global Apparel GmbH, Mapped in Bangladesh and Cute Dress Industry Ltd. showcasing their data management practices as business cases for investing in digital data management systems.





Impression from the ToT conducted by IGS in Vietnam

18.-19. April 2023

IGS conducted first training of trainers on HREDD

With the Trainings of Trainers, IGS promotes the capacity-building of experts to provide advisory service on the implementation of corporate due diligence. The training series also supports the creation of a consultant network in the field of HREDD.

Twenty HREDD and productivity consultants, including staff from the RBH in Vietnam and Cambodia, received comprehensive knowledge about international and local due diligence frameworks as well as current gaps and needs in the Vietnamese landscape in the first training in April. Training materials were jointly developed that can be used by the experts in their consultations.

The second training is planned for August and will be focused on the mediation of skills and methods for delivering advisory services. This activity is part of IGS' cross-country effort to improve knowledge and awareness on HREDD factories, associations and chambers, unions, civil society or government actors.

Improving data quality for measuring environmental performance of factories

IGS supports trainings on the Higg Facility Environmental Module (Higg FEM) for fashion manufacturer to improve their reporting on environmental performance.

The Higg FEM is a sustainability assessment tool that standardises how facilities in the textile, apparel and footwear sector measure and evaluate their environmental performance. It helps them identify and prioritise opportunities to improve their environmental performance.

More than 900 managers from 326 factories participated in this first online capacity building in April.

Environmental experts from service providers, brands, and factories shared their knowledge on using the tool in several consultation and exchange sessions on how to report accurate environment performance. The next in-depth training will take place in August.

Higg Facility Tools - Sustainable Apparel Coalition





Staff of RBH Cambodia, EuroCham Cambodia and IGS visiting the RBH office in Phnom Penh

Opening of the RBH office in Phnom Penh

In March, the Responsible Business Hub (RBH) in Cambodia inaugurated its physical office located at the European Chamber of Commerce (EuroCham) in Phnom Penh, following the launch event in November.

The space will not only be used by the RBH staff itself, but also for the in-person advisory services for local businesses. The advisory service is already being used by a growing number of companies and the website is also seeing a good response. In addition, the RBH was represented at several events concerning HREDD, thus having the opportunity to present itself and its service offerings to a wider audience whilst also expanding its network of contacts.

The IGS is setting up Responsible Business Hubs as local helpdesks that inform, raise awareness and advise producing companies on HREDD standards and requirements and network them with local service providers.

RESPONSIBLE BUSINESS HUB CAMBODIA RBH NETWORK

rbh-eurochamcambodia.com

21.-23. March 2023

IGS is collaborating with CNV to imparting knowledge about HREDD at trade unions and employer associations in Cambodia and Vietnam

CNV Internationaal conducted a first training with eighteen trade union representatives at the WE House, a training and counselling centre for textile workers established by FABRIC/GIZ in Phnom Penh.

The main goal of the three-day training was to enhance the capacities of the union representatives on HREDD and the upcoming related legislations whilst at the same time elaborating which role they can play as trade unions.

The training combined inputs from international and local experts with group work and discussions of the participants and specifically focused on breaking down international theoretic concepts to the Cambodian context. The RBH staff also participated in the event to introduce its services to the union representatives.



Training participants presenting group work results during the CNV training at the WE House



Impression from the opening of the RBH Serbia

24. April 2023

Launch of the Responsible Business Hub Serbia

With the opening of the Responsible Business Hub (RBH) Serbia in Belgrade, Serbian companies have access to a service desk for individual advice and training on the requirements of human rights and environmental due diligence (HREDD).

The service desk will also create a network of strategic partners and consultants which will assist companies in the implementation and documentation of human rights and environmental risk analysis and the design of corresponding prevention and mitigation measures. The service of the RBH is addressing more than 2,000 Serbian companies that currently export to Germany and the EU.

Among others, the German Embassy Belgrade, the national representative of the United Nations in Serbia and the management of the office of the International Labour Organisations (ILO) were present at the ceremonial opening of the RBH Serbia on 24th April 2023. The service desk is hosted by the Serbian Chamber of Commerce.







5.-6. April 2023

Cooperation with the ILO on Grievance Mechanisms has taken off

The International Labour Organisation (ILO) discussed with management and staff of the Republic Agency for Peaceful Settlement of Labour Disputes the results of a survey following the methodology of the ILO diagnostic tool for self-assessing the effectiveness of labour dispute prevention.

One of the main objectives of the workshop was to jointly assess the current position of the Agency with social partners, identifying potential opportunities and challenges, and devising measures to address them. Based on the findings, the ILO will tailor its technical assistance to the needs identified by the tripartite constituents.

These activities take place within a cooperation between the ILO and IGS contributing to easier, fair, and equitable access to efficient grievance mechanisms of the workers in in the automotive, electronics and textile industry in Serbia.

HREDD in Practice

Improving contractual terms for manufacturers

Responsible purchasing practices have the potential to support and enable improved working conditions. Therefore, IGS is partnering with the Responsible Contracting Project (RCP) and the Sustainable Terms of Trade Initiative (STTI) to develop more equal contractual terms for suppliers.

The RCP is developing and disseminating practical contractual tools to support balanced and cooperative relations between commercial actors and better outcomes for workers' human rights. This advances a major shift in contract design to align more closely with the principles of human rights due diligence and shared responsibility between buying and producing companies, which are increasingly becoming legal requirements.

Supporting the RCP, IGS is addressing the recommendations of the STTI, who were the first asserting the manufacturer's voice on purchasing practices and commercial compliance in their White Paper on the Definition and Application of Commercial Compliance.







sustainabletermsoftradeinitiative.com



Tools for responsible purchasing practices are available online

The Learning and implementation community on responsible purchasing practices (LIC) provides several resources for companies interested in moving towards responsible purchasing practices.

The resources, such as a procurement mapping exercise and a risk assessment tool, are available on the website below.

Resources — The Common Framework (cfrpp.org)

The recordings of the first LIC sessions can be watched here:

- **■** LIC Kick-off
- LIC Workshop on Principle 1: Integration and Reporting
- LIC Workshop on Principle 2: Equal Partnership

The LIC is a group of around 35 garment brands and retailers committed to improving purchasing practices, working together with supply chain partners to practically implement changes. It is funded by the IGS and the Sustainable Textile Initiative: Together for Change (STITCH).



Launch of the OECD Due Diligence Checker

IGS is collaborating with the OECD to strengthen the foundation for human rights and environmental due diligence. The project aims to scale the OECD's work on a common and aligned due diligence framework across sectors.

With the Due Diligence Checker, that was launched during the OECD Forum on Due Diligence in the Garment and Footwear Sector in February, companies can self-check how well they implement the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment & Footwear Sector.

The online tool, which is free of charge, is designed as a questionnaire and provides an indicative gap analysis based on the responses of the user. This allows to identify areas where practices need to be adjusted to better implement the Garment and Footwear Guidance.

An important ambition of the Due Diligence Checker is to increase awareness on a common understanding of due diligence expectations in the garment and footwear sector among enterprises. The Garment and Footwear Guidance provides recommendations for enterprises on how to implement due diligence according to the OECD Guidelines for Multinational Enterprises in their own operations and in their supply chains.

oecd.sustainabilitygateway.org/ oecd-due-diligence-checker-garment

The 9th OECD Forum on Due Diligence in the Garment and Footwear Sector took place on 16.–17. February 2023 in a hybrid format. The Forum was accompanied by virtual side sessions organised and hosted by partner organisations. All sessions were recorded and can be accessed here: www.oecd-events.org/garment/eventagenda



Staff from Electronics Watch, IndustriAll and Tenaganita

Electronics Watch strengthens its monitoring in Malaysia

IGS intends to provide access to a grievance mechanism for 180,000 workers by scaling up the Electronics Watch grievance mechanism in Vietnam and Malaysia.

In this context, Electronics Watch carried out a mission to Malaysia building stronger linkages with monitoring partners on the ground and meeting workers as well as trade unions at the facilities they monitor.

Read the full report here: <u>Strengthening our Monitoring in</u> Malaysia



How to implement human rights and environmental due diligence

IGS published two studies that present first research results on risks in the electronics supply chain and the potential of big data technologies for the HREDD process.

The study about "Human rights and environmental risks in the electronics sector" was conducted in cooperation with Systain consulting and recently published in German. The electronic sector is widely perceived as a high risks supply chain (see for instance <u>BMAS</u>, <u>2020</u>) being consistently in flux, overlapping increasingly with other sectors like automotive or machinery and lacking transparency.

- High social risks are particularly associated with excessive working hours, forced labour and occupational health and safety. They are mainly determined by the production location.
- High environmental risks are associated with greenhouse gas emissions and air pollution and, to a lesser extent, water pollution. They do not only depend on the production location but are determined particularly by the production process.

The study will be presented on the 7th of June at first for a German audience. Please register under the following link: *gotowebinar.com*.

The study on "The Potential of Big Data Technologies for the Human Rights and Environmental Due Diligence Process" is the first to investigate the potential role of big data technologies in the HREDD process. It provides an introduction to big data technologies and identifies three use-cases on their application in the HREDD process:

- Mapping transnational supply chains
- Identifying human rights and environmental risks
- Monitoring the compliance of companies with HREDD obligations

In addition, the study also discusses a number of potential risks and challenges connected to the reliance on big data technologies in the framework of the HREDD process



Download the studies

- Menschenrechtliche und ökologische
 Risiken im Elektroniksektor (English edition will be available soon)
- The Potential of Big Data Technologies for the Human Rights and Environmental Due Diligence Process

Our Objectives

The Initiative for Global Solidarity strives to achieve tangible improvements for people and the environment in the producing countries.

500,000Workers are exposed to fewer risks in the workplace.



Mitigate risks

The IGS supports buying companies and their suppliers in the supply chain to preventively address, mitigate and remedy human rights and environmental risks. The aim is for companies with a total of at least 500,000 employees to take measures to better protect their workforce and the environment

150

Companies integrate sustainability indicators in their data management



Data Management

The IGS supports manufacturing companies with trainings to better collect, manage and process sustainability data for their customers. The goal is for at least 150 manufacturing companies from two sectors to collect data suitable for sustainibility reporting.

250

Companies take advantage of the RBH services

Local helpdesks

The IGS is setting up local helpdesks (Responsible Business Hubs) that inform, raise awareness and advise producing companies on Human Rights and Environmental Due Diligence standards and requirements, and network them with local service providers. At least 250 companies are to make use of the service.

500,000

Workers get access to complaints mechanisms



Complaints and remedy

The IGS is working together with companies, industry initiatives and civil society organisations to establish, develop and harmonise complaints mechanisms. 500,000 workers will be given access to more effective complaints mechanisms, 300,000 of them women (60%).

1,000

Compliance officers have completed training on complaints mechanisms



Training on complaints mechanisms

The IGS promotes the establishment and strengthening of internal factory complaints mechanisms that meet international standards and explicitly address gender-based violence and discrimination. Through targeted training and suppurt, at least 1,000 compliance officers will be trained and empowered to establish effective internal structures.

Outlook

May

- May 24: Workshop with members of STTI and Fair Wear Foundation on Model Contract Clauses
- May 24: Attendance at RBA European Conference
- May 25: Awareness raising event on Due Diligence regulation for Chinese companies
- Training of Trainers on Energy Management in Cambodia
- May 30-31: Attendance at Annual Conference of Automotive Cluster in Belgrade

June

- June 6: 2nd of 4 session of the 'Access to Remedy' webinar series in collaboration with the Social and Economic Council of the Netherlands (SER)

 © Click here to register
- June 6-7: Attendance at the UN Responsible Business and Human Rights Forum in Bangkok with a side session on IGS' Responsible Business Hubs fostering HREDD in textile supply click <u>here</u> for more information
- June 7: Joint webinar on 'Comparable and Transparent Data' with SLCP and OS Hub

 | Click here to register |
- June 7: Webinar with Systain Consulting presenting the results of the study on 'Human rights and environmental risks in the electronics sector'

 The webinar will be held in German.

 © Click here to register
- June 8: Validation workshop for a manual on grievance mechanisms and equality code in Serbia
- June 12: Launching ceremony of BGMEA and BKMEA's RBH in Bangladesh

- June 29: LIC Workshop on Principle 3: Collaborative Production Planning
- Workshop on lessons learned for factories participating in the Climate Action Training with Energy Efficiency focus in Vietnam
- Introduction of additional RBH service tools in Cambodia

July/August

- Publication of grievance mechanism Study in Cambodia
- Training of Trainers on grievance mechanism in Bangladesh
- 2nd Training of Trainers on HREDD in Vietnam

Published by

Initiative for Global Solidarity

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH Friedrich-Ebert-Allee 36 53113 Bonn

www.giz.de

As of May 2023

On behalf of German Federal Ministry for Economic Cooperation and Development (BMZ)