

## **Parties to International Responsible Business Conduct (RBC) Agreement on Sustainable Garments and Textile call for social responsibility during corona crisis**

**The corona virus is having a major impact on the global clothing and textile supply chain. Worldwide, factories are at a standstill and shops are closed. In production countries, this is having an enormous direct impact on workers, but in the Netherlands too, the situation is critical for many brands, shops, and producers. And even though some factories are gradually restarting production and shops are welcoming customers again, many questions remain unanswered. Nobody can predict how we will emerge from the crisis.**

### **Responsibility towards production countries**

Many workers in production countries are at home because their factory is closed due to a lack of raw materials, a local lock-down to prevent the spread of the virus, or cancellation of orders or postponement of payment by purchasing companies. In many production countries, this is immediately causing serious problems. In the absence of a proper social security system, no income also means no food and sometimes no housing. Workers are also at risk of becoming infected if they have no choice but to go to work. There is a great risk of the use of child labour increasing once again.

The parties united within the International RBC Agreement on Garments and Textile (AGT) – sector organisations, NGOs, trade unions, and government – are committed to international social responsibility. Despite the crisis, they expect international garment and textile companies to continue to operate with due diligence. The crisis does not, after all, alter their responsibilities. The parties expect companies to do whatever is reasonable and fair given the circumstances. Even in a time of crisis, cooperation within the Agreement provides the parties and companies involved with guidance and mutual support for responsible action.

Partly for this reason, the AGT participants, together with a large number of like-minded organisations<sup>1</sup> have signed a joint [declaration](#) on how to respond responsibly to the corona crisis. Organisations including the [OECD](#), [ILO](#), and [Global Compact](#) are also calling for such a response. The key points in our approach are to protect the income of workers in the garment and textile sector, to guarantee their health and safety, and to make the supply chain future-proof. The most important basic principles for action on the part of purchasing companies are:

- to only implement measures in proper consultation with their partners within the supply chain (i.e. not impose unilateral measures);
- not to cancel orders that have already been produced or are in production;
- to pay for work and materials for orders that have already been produced or are in production;
- not to stipulate discounts under the threat of cancelling orders.

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<sup>1</sup> amfori, Ethical Trading Initiative (ETI) UK, ETI Denmark, ETI Norway, Fair Wear Foundation (FWF), Fair Labor Organisation (FLA), Partnership for Sustainable Textiles (PST), Sustainable Apparel Coalition (SAC), and the Social and Labor Convergence Project (SLCP), together with Better Buying, Initiatief voor Duurzame Handel (IDH), Solidaridad, and Sedex.

The parties to the AGT are promoting the creation of an (international) emergency fund that can provide loans to the governments of producer countries. Action is being coordinated with other multi-stakeholder organisations.

### **Responsibility within the Netherlands**

Thanks to rapid action by the Dutch government, mass redundancies at Dutch companies have so far been avoided. At the same time, however, it is becoming increasingly clear that sooner or later the government will have to scale down the support measures, especially now that the lock-down restrictions are being relaxed in the Netherlands. For many employees in the sector in the Netherlands, the future is still uncertain.

The RBC Agreement provides ongoing support in various ways for companies that wish to address their risks within the supply chain. For example, top management is involved in due diligence, procurement and CSR managers receive training, and financial institutions are approached about new forms of responsible financing.

All these activities contribute to the necessary shared development of a vision for the future for the sector. The ultimate goal is to tackle and remove structural deficiencies and to make garment production more sustainable and crisis-resistant. Transitioning to a new and sustainable business model requires urgent action.

### **Assessment of companies**

An important obligation for companies that have signed up to the Agreement is to carry out due diligence and submit an action plan; that plan forms the basis for the Secretariat to assess them each year. The Secretariat will continue to assess the commitment and results of the participating companies in 2020. Particularly in this time of crisis, it's important to maintain dialogue with companies and where necessary encourage them to reduce or remediate the negative impact within their supply chain. Companies that need to communicate publicly about International RBC are expected to continue to do so regarding their endeavours during the corona crisis.

The annual assessment interviews conducted by the AGT Secretariat will cover, among other things:

- the decision-making processes within the company in response to the corona crisis;
- the measures taken in relation to the consequences of the crisis throughout the supply chain, and the aforementioned principles;
- the prioritisation (or reprioritisation) of risks and the corresponding objectives and actions; and
- the desired or necessary support from the parties to the Agreement, the Secretariat, or third parties.

Explicit account will also be taken of the economic situation in which the company finds itself.

In the event of a difference of opinion between the Secretariat and a company about a measure that has been taken, the Complaints and Disputes Committee may be requested to assess the efforts undertaken by the company and the findings of the Secretariat. A stakeholder or its representative may also lodge a complaint directly.

### **Role of complaints and disputes**

Events can have a negative effect on employees in garment companies' supply chain, especially in a time of crisis. The Agreement has two separate routes whereby stakeholders can draw attention to alleged malpractice.

The first route involves submitting a notification to the Secretariat, based on the published list of production sites. The Secretariat then brings the notifying party and the alleged

malpractice to the attention of the company or companies which have indicated that they are involved with that production site. The notifier and the company (or companies) can then jointly investigate the situation and work towards a solution.

Secondly, a stakeholder or its representative may lodge a complaint directly with the Complaints and Disputes Committee. Both these routes are explained in the document [\*Promoting Access to Remedies: the role of the AGT Secretariat and of the AGT Complaints and Dispute Mechanism.\*](#)