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### OUTCOME OF PROCEEDINGS

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Subject: Sustainable Garment Value Chains  
- Council conclusions (19 May 2017)

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Delegations will find in the annex the Council conclusions on Sustainable Garment Value Chains, as adopted by the Council at its 3540th meeting held on 19 May 2017.

**Council conclusions on Sustainable Garment Value Chains**

1. The Council recalls that approximately 75 million people worldwide work in the textile and clothing sector. Most of the work force is in developing countries where 75% of workers in the sector are made up of women and girls and where supply chains often extend to home-based workers. The Council recognises the potential of the sector as a driver of development and emancipation, but also acknowledges the complexity of the garment value chain and the major economic, social and environmental challenges it presents such as low wages, lack of enforcement of labour rights including freedom of association and collective bargaining, poor building safety, harmful impact of hazardous chemicals, or unsustainable use of resources. Deadly accidents in the garment sector, such as the collapse of the factory in Rana Plaza in Bangladesh four years ago, underline the importance of promoting more sustainable garment value chains and to addressing the specific challenges in this sector. In line with SDG target 8.7 the Council calls for measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour in the garment sector. The Council further underlines the importance of preventing human rights violations and of promoting corporate social responsibility (CSR) / Responsible Business Conducts (RBC)<sup>1</sup> including social and environmental standards and decent work in the garment sector. It is essential that these standards and principles are applied across the entire garment sector value chain.

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<sup>1</sup> The EU uses CSR and RBC interchangeably. In 2011, the EU's CSR Strategy defined Corporate Social Responsibility as the "the responsibility of enterprises towards their impacts on society" and stressed that "to fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders"

2. The Council recalls its Conclusions of 12 May 2016 on the EU and responsible Global Value Chains in which it supports efforts undertaken in promoting responsible supply chains through initiatives such as an EU Garment Initiative. The Council welcomes the Commission Staff Working Document on 'Sustainable garment value chains through EU development action'<sup>2</sup> as an important first step that should lead to further ambitious efforts in the garment sector that extend beyond development cooperation. The Council stresses the need for increased and proactive engagement in the EU and abroad to strengthen responsible and sustainable supply chains and supports efforts to advance sustainable production, sustainable consumption both from public and private actors and decent work as emphasised in the new European Consensus on Development, the 2030 Agenda and the Sustainable Development Goals.
3. In this context, the Council calls upon the Commission to promote consumer information tools and CSR/RBC including through due diligence carried out by companies in their supply chains. Closer cooperation between existing multi-stakeholder initiatives at the European level is needed in order to foster broader commitment for CSR/RBC in the garment sector to avoid discriminating effects for businesses that already act in a sustainable way, including through voluntary schemes such as the EU Ecolabel. The Council further underlines the importance for EU companies to have possibilities for collaboration at a pre competitive stage to mitigate supply chain risks.
4. The Council encourages the ratification and effective implementation of international labour conventions, such as ILO Core Conventions, and recalls its attachment to internationally recognised guidelines and principles, notably the UN Guiding Principles on Business and Human Rights, ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, OECD Guidelines for Multinational Enterprises, UN Global Compact, as well as Multilateral Environmental Agreements.

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<sup>2</sup> 8492/17 - SWD(2017) 147 final

5. Development cooperation can be an effective tool to improve the sustainability of garment value chains. Sustainable garment value chains should be pursued by supporting efforts of governments, civil society organisations (CSOs), global and local businesses, including micro-, small- and medium-sized enterprises (MSMEs), social partners in producing countries, international organisations, also through bilateral and regional programmes and projects. Such efforts can also help to promote the use of sustainably managed primary raw materials and high quality secondary raw materials, as well as the re-use and recycling of garments and textiles.
6. The Council welcomes increased support through EU development cooperation to sustainability in the garment sector. The Council supports actions to promote and disseminate social and environmental best practices on responsible management of garment value chains in particular by engaging with companies, business associations, CSOs, social partners, and by fostering collaboration and knowledge sharing between stakeholders. The Council encourages the Commission and EU Member States to strengthen efforts to raise awareness of consumers and public procurers to promote sustainable and responsible consumption.
7. The Council supports the ongoing efforts regarding children's rights as well as women's and girl's economic empowerment in this sector, including through the implementation of the EU Gender Action Plan 2016-2020<sup>3</sup>. It underlines the need to foster gender equality, to support training and capacity building of women garment workers, to address harassment in workplaces and to promote non-discrimination, women's equal access to productive employment, decent work and equal pay.

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<sup>3</sup> 12249/15 - SWD(2015) 182 final

8. The Council recalls the importance attached by the EU to promoting labour rights, and decent work, and recognises the contribution of social dialogue, including global social dialogue through international framework agreements, to this end. It underlines the major contribution of EU development cooperation in supporting governments of producing countries as well as other actors such as CSOs, social partners and private sector, in transposing and implementing international standards into national labour and environmental laws and in supporting and monitoring their effective enforcement including at factory level.
9. The Council stresses the importance of tracking the chemicals used in the garment sector and present in final garment products to achieve environmentally sound management of chemicals, natural fibres and all wastes and resources in the garment sector. Sustainable and resource efficient production, including the promotion of non-toxic material cycles is needed to achieve a circular economy and ensure more reuse and recycling in the garment sector. The promotion of safe work environments is also crucial to avoid a health threatening exposure of workers to harmful and toxic substances.
10. The Council encourages the Commission to support moves to increase transparency and traceability in garment supply chains, for example through coordination with ongoing activities within Member States and international initiatives by the industry, and welcomes the new OECD due diligence guidance for the responsible supply chains in the garment and footwear sector. In line with SDG 8 and 12, the Council underlines the importance of fostering decent work and a conducive environment for responsible business and encouraging companies, especially large and transnational companies, to adopt sustainable practices, including by integrating sustainability information into their reporting as well as to inform and build relations with their customers. Such efforts will also contribute to increase information and transparency throughout the different stages of the garment supply chain including on social and environmental conditions. Consumer awareness of such information is an important step towards improved sustainable value chains in the garment sector.

11. The Council recalls the existing legislative framework at EU level applicable to the garment sector and encourages greater coherence between development cooperation, environmental, labour, trade and other external policy tools to promote sustainable garment value chains. The Council also stresses that ongoing work under the existing EU policy framework should contribute to Policy Coherence for Development. Synergies between development cooperation, environmental and labour policies and trade tools can have a combined development impact in the garment sector. The Council welcomes the systematic inclusion and implementation of trade and sustainable development (TSD) provisions in all EU Trade Agreements including with developing countries, and calls upon the Commission to ensure effective implementation of these provisions. Effective use of TSD chapters and other tools to support sustainable development are also important for improving environmental and labour standards and sustainable procurement practices in the garment sector. The forthcoming review of the EU Aid for Trade Strategy should contribute to pursue sustainable development objectives. The Council encourages the Commission to continue and step up its dialogue with ‘Everything But Arms’ (EBA) beneficiaries with a view to countering serious and systematic violations of human rights and core labour standards as recently shown in the context of the Bangladesh Sustainability Compact.
  
12. The Council underlines that commitment of governments in producing countries to set and implement the appropriate legal and regulatory framework conditions, business engagement, as well as commitment of all relevant stakeholders to sustainable value chains, are key to achieve concrete improvements. To this end, the Council calls upon the Commission to strengthen its efforts through an ambitious and swift implementation to support sustainable garment value chains and takes good note of the EP Resolution calling for comprehensive action in this sector. In addition, the Council calls on the Commission to address sustainable garment value chains in a comprehensive manner that also extends beyond development cooperation promoting a safer, greener and fairer garment industry.