

## Annex 1

# THE PRINCIPAL NCP PROPOSALS FOR IMPLEMENTATION OF THE OECD GUIDELINES IN THE TEXTILE AND CLOTHING SECTOR

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As indicated in the first part of this report, the situation and organisation of the textile and clothing sector are complex. The nature and size of the enterprises obtaining supplies from Bangladesh vary widely. In order to take these factors into account, the NCP proposals are divided into two main categories. In order to ensure compliance with the Guidelines, the NCP proposes a raft of measures which are to be regarded as necessary and sufficient, and a number of proposals based on good practices which may serve as examples. The NCP also addresses some observations to the authorities, presented in the third part of this report.

## RECOMMENDATIONS FOR MULTINATIONAL ENTERPRISES

To help enterprises to implement the Guidelines, the NCP makes the following 10 recommendations:

- ✓ Recommendation 1: Formalise ethical commitments and compliance with OECD and ILO international standards
- ✓ Recommendation 2: Map the supply chain and identify risks
- ✓ Recommendation 3: Implement risk management systems to prevent adverse impacts from arising
- ✓ Recommendation 4: Control subcontracting in order to minimise risks
- ✓ Recommendation 5: Promote sustainable and balanced business relationship between customer and supplier
- ✓ Recommendation 6: Tighten the social, environmental and safety aspects of audits
- ✓ Recommendation 7: Consult local stakeholders and encourage dialogue
- ✓ Recommendation 8: Ensure respect for the workers' rights established by the ILO
- ✓ Recommendation 9: Ensure that suppliers pay an adequate wage to satisfy the basic needs of workers and their families
- ✓ Recommendation 10: Participation with all stakeholders in compensation and reparation for damage when a direct link is established

## PROPOSALS FOR MULTINATIONAL ENTERPRISES

In addition to the raft of measures recommended above, the NCP makes a number of proposals that enterprises might apply in their business relations in the textile and clothing sector supply chain.

- ✓ Proposal 1: Engage in joint improvement and monitoring activities with suppliers
- ✓ Proposal 2: Join in multi-stakeholder initiatives such as accession to an international framework agreement for the textile and clothing sector
- ✓ Proposal 3: Publish reliable and comparable information on due diligence measures, including information on social and environmental risk management systems
- ✓ Proposal 4: Train and assess buyers in the implications of ethical and sustainable supply
- ✓ Proposal 5: Raise consumer awareness of the conditions in which textile products are manufactured

## OBSERVATIONS OF THE NCP FOR CONSIDERATION BY PUBLIC AUTHORITIES

In the course of the hearings, a number of initiatives were suggested which fall within the scope of national competence and would provide valuable support to enterprises in their CSR activities. The NCP wishes to bring some of these to the attention of public authorities.

- ✓ Observation 1: Support the current process of drafting an international standard on sustainable procurement
- ✓ Observation 2: Facilitate and guarantee labelling to improve information to consumers
- ✓ Observation 3: Join the international community in supporting reforms of workers' rights in Bangladesh
- ✓ Observation 4: Review the Bangladeshi regulations which prohibit a new factory from exporting for two years until it has obtained an export licence
- ✓ Observation 5: Extend the ordinary employment laws of Bangladesh to the export processing zones
- ✓ Observation 6: Take out insurance cover or establish a compensation fund for the sector
- ✓ Observation 7: Make CSR considerations a part of trade negotiations