





## PRESS RELEASE

OECD complaint on TÜV Rheinland's audit report on Rana Plaza manufacturer

## German Ministry of Economic Affairs acknowledges need for reform of factory audits in the textile industry

Berlin/Dhaka, 5 July 2018 – It is long overdue to overhaul audit procedures. Today's Final Statement of the German National Contact Point (NCP) on the OECD Guidelines for Multinational Enterprises in the Rana Plaza proceeding against the auditing company TÜV Rheinland should pave the way to fundamental reforms. The NCP recommends a dialogue with audit companies, standard setting organizations, brands, factories and trade unions. This dialogue should address transparency of audit reports and whether factory owners should pay for audits. Besides, the NCP takes a clear stance on the measures audit firms could already implement, such as the stronger involvement of worker representatives.

The European Center for Constitutional and Human Rights (ECCHR) and its partners, the Bangladeshi <u>Garment Workers Unity Forum</u>, the Comrade Rubel Memorial Center, the <u>Rana Plaza Survivor Group</u> as well as <u>FEMNET</u> and <u>medico international</u> from Germany welcome the Final Statement. In May 2016, ECCHR and its partners filed an <u>OECD complaint against TÜV Rheinland</u> for its failure to notice the presence of child labor, lack of freedom of association, risks of building safety, and disciplinary measures against the workers in its audit report for a factory in the Rana Plaza complex. For two years, the organizations sat around the table with TÜV Rheinland. At the last moment, TÜV Rheinland broke off the negotiations.

"Social audits are part of the problem rather than a solution, providing minor remedies while legitimizing worker exploitation in global supply chains," says Moniruzzaman Masum of the Comrade Rubel Memorial Center in Bangladesh. "Auditing firms should publicly recognize that they have their own responsibility towards stakeholders along their business operations," says Carolijn Terwindt, senior legal advisor for ECCHR. "Workers should have access to an adequate remedy against negligent auditing companies." Gisela Burckhardt, chairperson of FEMNET adds: "Auditors should conduct off-site worker interviews and audit results should be made accessible to the public or at least trade unions and workers."

Overall the handling of the NCP procedure has improved since 2010, when ECCHR first filed an OECD complaint in Germany. However, the organizations stressed the serious obstacles for the affected in Bangladesh to be part of the negotiations and to campaign about the case. They speak about their search for justice in a video which was released today.

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