

QUESTIONS AND ANSWERS_____

BSCI complaint on TÜV Rheinland's audit report for Rana Plaza manufacturer

Certification of safety and working conditions in the textile industry are good for the image of corporations but they rarely help employees. This was made clear by the collapse of the Rana Plaza factory complex in Dhaka (Bangladesh) which in April 2013 killed more than 1,130 and injured over 2,500 people. Just a few months prior to the catastrophe, the German technical inspection company TÜV Rheinland inspected Phantom Apparel Ltd.'s production facility as part of a "social audit." The German certification company did not address building safety or construction defects in its report, which also failed to acknowledge other shortcomings. TÜV Rheinland had been commissioned to act as auditor by a member of the Business Social Compliance Initiative (BSCI). The European Center for Constitutional and Human Rights (ECCHR), FEMNET, the Campaign for Clean Clothes (CCC), medico international and the Activist Anthropologist Collective in Bangladesh have collectively filed a complaint with the BSCI. The organizations demanded that the BSCI publish the assessment order and audit reports by TÜV Rheinland and others on Rana Plaza. They also wanted BSCI to fundamentally change the scope of such reports. In particular, there is a need for a mechanism to hold certification companies and those who commissioned them liable for their social audit reports.

What is the Business Social Compliance Initiative (BSCI)?

The Business Social Compliance Initiative (BSCI) is a comprehensive European platform by the Foreign Trade Association (FTA). The FTA deals with European and international trade and is based in Brussels. The corporations that are members of the BSCI have pledged themselves to a code of conduct that is meant to monitor and improve the safety and working conditions in production countries worldwide. The initiative invokes standards of the International Labor Organization (ILO) and other important international regulations, like the UN Declaration on Human Rights, as well as national legislation. More than 800 producers are currently members of the BSCI, including most large international textile companies, such as Metro, Migros, Otto, Coop and Kekso.

Who gets BSCI “certification”?

Companies that operate internationally and are deemed to meet the standards of the initiative receive BSCI certification. Companies use the certification to show that they are working to ensure fair working conditions and industrial safety at its producer and supplier firms in supplier countries.

BSCI stresses that the process does not involve any “official seal” but instead denotes that the company fulfills the BSCI standards. What legal consequences the certification is supposed to have is not clear. To be certified in accordance with BSCI standards a company must show the following:

- Compliance with national laws regarding freedom of assembly and a right to collective bargaining
- Prohibition of any form of discrimination
- Adherence to minimum wages and living wages
- Adherence to a maximum of 48 working hours per week and limits on overtime
- Workplace health and safety
- Prohibition of child labor
- Prohibition of forced labor and disciplinary measures
- Compliance with the minimum requirements for waste management, emissions and wastewater treatment
- Compliance with the minimum requirements regarding the use of chemicals or other hazardous materials

How does a BSCI audit work?

The BSCI certification process begins with a self-evaluation questionnaire, which is filled out by the company to provide the auditors with an initial overall impression. There generally follows an audit of the subsidiary at its production facility. This is intended to determine whether the corporation is complying with the BSCI guidelines or whether there are deficits regarding the specifications set forth in the social management standard SA 8000. In the production facility, the audit begins with an entry briefing. Auditors then examine the facility, interview managers and other employees and inspect files.

At the end of the subsidiary audit an exit briefing takes place. Subsequently, the audit results and pictures of the facility are recorded in a written report and sent

to BSCI. The results are then added to the BSCI database so that other BSCI members can see that the company has been successfully certified.

What happens if there are deficiencies in a company?

If it is discovered during a BSCI audit that the requirements or standards are not met, the companies are urged to implement the necessary corrections as quickly as possible. A further visit is required in order to check whether these measures are effectively implemented. The results of the follow-up report are documented in the BSCI database.

How long is a BSCI certification valid?

The audit's data is valid for three years in the BSCI database and can be extended by three more years through another audit.

What function does TÜV Rheinland have as a BSCI inspection company?

TÜV Rheinland is a German inspection company that operates internationally. It certifies products, facilities and processes for compliance with voluntary and legal standards.

To gain the authorization to issue a certification, the inspection company must generally also be certified and accredited by the company or platform that sets out the standards for the inspection of safety and working conditions.

TÜV Rheinland is one of the certified inspection companies that carry out audits for BSCI. It describes its services and audit reports as “a passport for the world market.”

TÜV Rheinland and other inspection companies receive the commission to conduct an audit either directly from the company to be inspected or from one of that company's customers. This contractual proximity can cause conflicts of interest and threaten the quality of the certification since the certification company is commissioned and paid by the company under inspection.

What are the criticisms of TÜV Rheinland's audit report?

TÜV Rheinland was commissioned by a BSCI member to audit the production facilities of Phantom Apparel Ltd. in the Rana Plaza factory complex. ECCHR and its partner organizations are critical of TÜV Rheinland for failing to employ reasonable care when examining the safety and working standards and failing to sufficiently document or examine grave deficiencies.

- Obvious flaws in construction and building safety as well as the lack of a valid building permit under Bangladeshi law were not challenged
- The lack of necessary documentation regarding security measures and building safety was not noticed or not challenged
- The lack of sufficient information for employees on effective complaint mechanisms and on employee rights, such as the right not to have to enter a clearly dilapidated building, was not recognized or challenged
- Child labor in the factories was not recognized or not sufficiently examined
- No calls were made for an appropriate system for the documentation of working hours and calculation of employee social benefits

Who were the complainants?

The complainants were the European Center for Constitutional and Human Rights, FEMNET and the Campaign for Clean Clothes, medico international and the Activist Anthropologist Collective in Bangladesh, which works with the survivors and relatives of the Rana Plaza catastrophe.

What did the complainants want?

The complainants were calling on BSCI to live up to its responsibility to ensure the quality of its certification. This includes BSCI establishing a complaint mechanism for those affected and sanctioning the inspection company TÜV Rheinland for violating its duties.

Furthermore they demanded

- that BSCI certification include a mechanism allowing third parties, especially employees and their relatives, to bring claims against the inspection companies
- access to the audit reports by TÜV Süd and TÜV Rheinland regarding the Rana Plaza factories
- the termination of contracts with inspection companies that violate the BSCI standards
- a fundamental reform of the BSCI certification process

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