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Directorate-General for Infrastructure and Logistics
The Director-General

D(2024)9980

Ms Caroline ROOSE Member of the European Parliament SPINELLI 08G318 Brussels

Mr Mounir SATOURI Member of the European Parliament SPINELLI 08G317 Brussels

<u>Subject</u>: Alleged supply of products involving forced labour

Dear Ms ROOSE, Member, Dear Mr SATOURI, Member,

Thank you for your letter of 1 March 2024, addressed to President METSOLA, concerning the reporting by the Outlaw Ocean Project on the alleged supply of products involving forced labour in the European Parliament Self-service Restaurants. Before answering your concerns as the Director-General responsible, please allow me to thank you for raising this critically important matter.

Indeed, these reports are of great concern to the European Parliament, and to all staff in Parliament's administration responsible for our canteens, serving Members and staff alike. In this role we have strived to ensure that in all of our contractual agreements and daily operations, our Institution upholds the highest possible ethical standards. For Parliament, it is crucial to maintain a supply chain free from any unethical labour practices that might be in contradiction with European Law as well as national legislations, and our shared values.

In this context, I would like to inform you that DG INLO has, since 2016, gradually placed corporate social responsibility at the core of its public procurement, for instance in the cleaning and catering contracts. This trend culminated in 2021 in the court case of Sophia

Group v European Parliament<sup>1</sup> where the General Court of the European Union handed down a landmark decision in favour of the Parliament and held that DG INLO was within its rights in requiring its service providers to adhere to higher social responsibility criteria. This ruling is now seen as a landmark case setting a precedent in EU public procurement law.

As regards this specific case of potential supply of products involving forced labour in the European Parliament Self-service Restaurants, once we learned of the allegations, we have taken contacts in order to seek answers from our suppliers and establish the resilience of the sustainability provisions within our supply chains. Email correspondence between the Unit responsible and the contractors seemed to confirm already in mid-February that Parliament's canteens had not been implicated in this matter. However, as the media stories continued, we decided to raise the matter to a more formal level: letters from myself were sent on 12 March 2024 to all the CEOs of catering operators in the three places of work, seeking for an official confirmation that none of the products offered by them, currently and in the past, in the Parliament's premises, originate from factories using forced labour, particularly those associated with the factory Dalian Haiqing Food that supplies Pittman Seafoods.

On the basis of our findings, we can confirm that no products from the alleged processing factories, sourced via Pittman Seafoods were served in our catering venues. The Luxembourgish and French operators have confirmed that Pittman Seafoods is not one of their suppliers. While Compass Belgium uses Pittman Seafoods as one of their suppliers, it nevertheless confirmed that Parliament's canteens have never been supplied by Pittman Seafoods with any products from the seafood processing companies mentioned in the investigation, including Dalian Haiqing Food. Furthermore, each provider has given details as to their supply chains and certificates they have been awarded in this regard, in addition to practices concerning sustainable production of fish and seafood.

However, in the spirit of transparency, I wish to inform you that Compass Belgium extended its internal investigation into all other suppliers of fish and seafood and carried out a comprehensive review of its supply chain. This internal investigation has identified *another supplier*, Mowi, who had delivered seafood to Parliament's canteen from the concerned plant in September 2023. This delivery was a single-day delivery of 60 kg of seafood, i.e. representing 1% of total frozen seafood over the past 12 months.

As a consequence, and despite Dalian Haiqing denying the allegations of using forced labour, Compass Belgium informed me of their decision to ask all of its suppliers to suspend sourcing seafood from the named seafood processing companies mentioned in the media reports, with an immediate effect.

The contractual obligations binding on our Institution and thereby on our catering providers are clear. Firstly, all such agreements are governed by the European Union Law, upholding not only fundamental rights but also the rights of the workers. Secondly, the agreements are supplemented by Belgian legislation and pertinent to this concession, Article 8 of the contract between the European Parliament and Compass Group on subcontracting specifies that "the concessionaire is required to include in each contract concluded with subcontractors or assignees all provisions enabling the European

<sup>&</sup>lt;sup>1</sup> Judgment of the General Court of 10 February 2021, case T-578/19, ECU: EU: T:2021:77.

Parliament to exercise the same rights and to benefit from the same guarantees, both in respect of them and in respect of the concessionaire itself".

When awarded the current ongoing catering contracts in 2018, all the catering service providers in Brussels have committed to promote short circuits and to guarantee that 80% of the fish served is fresh and also to follow the recommendations of the World Wildlife Fund for Nature (WWF) on seafood. Respect of this commitment is continuously monitored by DG INLO and is subject to penalties in case of non-compliance. For the upcoming call for tender of 2025-2026, DG INLO will further reinforce its current control mechanisms and strengthen, in line with the Court Ruling of 2021, sustainability as the main principle of the contract.

I strongly hope that these actions assist in ensuring accountability, while promoting a culture of adherence to contractual obligations within the catering sector on the whole.

Dear Members, I hope that these measures will reassure you that Parliament's administration remains strongly committed to responsible sourcing and to the highest ethical standards in all of its contractual operations and agreements. I wish to thank you again for your attention and support on this important matter.

Yours sincerely,

CC: Ms Roberta METSOLA, President of the European Parliament Ms Heidi HAUTALA, Vice-President