

MoU on Fire and Building Safety in Bangladesh

Program Overview

Content

1. Why setting up a Building and Fire Safety Program in Bangladesh?
2. What? The core elements of the program
3. Who? The program parties
4. How? The cornerstones of implementation
5. Contributions of business side
6. Contributions of labor side
7. Benefits

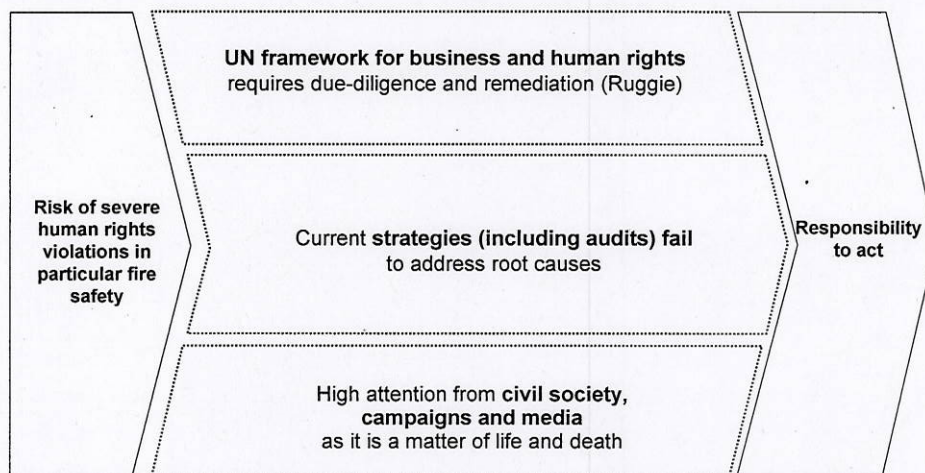
1. Why setting up a Building and Fire Safety Program in Bangladesh? (1/3)

Approx. 500 garment workers died in factory fires or building collapses in Bangladesh between 2006 and 2010

- 414 persons died in 213 factory fires from 2006 to 2009 according to Bangladesh's Fire Service and Civil Defence Department
- 79 persons died in 21 factory fires in 2010 (counted incidents in English-language newspapers (ILRF/CCC))
- Many more people injured
- Examples of safety violations at export factories which lead to deadly accidents in recent years:
 - Building collapses
 - Electrical short-circuit
 - Illegal constructions and improper use of building
 - Closed emergency exits
 - No adequate evacuation routes
 - Employees not trained to use fire safety equipment
 - No functioning fire extinguishers and other equipment
 - No adequate storage of inflammable material
 - etc.

1. Why setting up a Building and Fire Safety Program in Bangladesh? (2/3)

Violations of safety standards – a responsibility to act



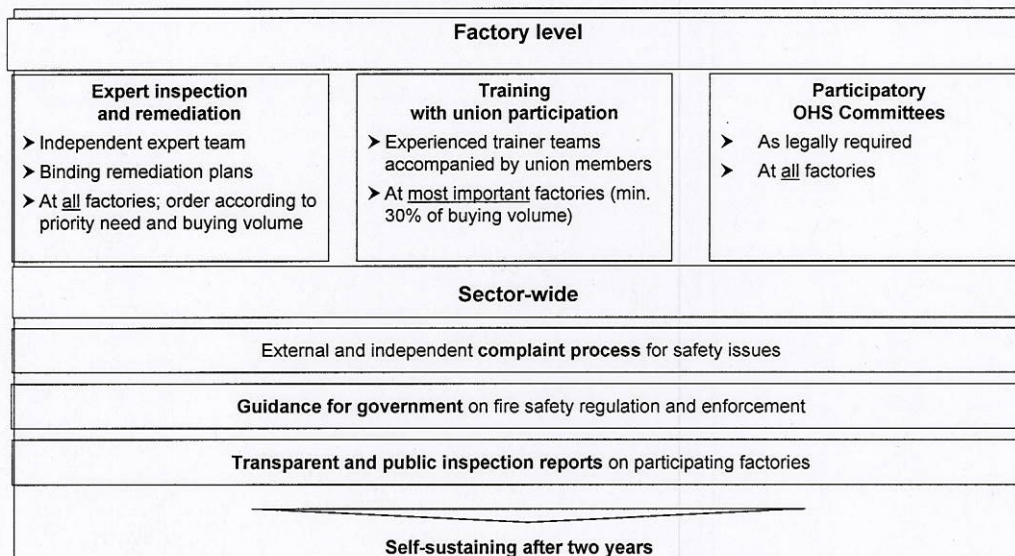
1. Why setting up a Building and Fire Safety Program in Bangladesh? (3/3)

The program addresses the main root causes of fire accidents

Root causes	Addressed by the programme	Program elements
➤ No enforcement of existing regulation	✓	Factory inspections by independent experts
➤ No expert inspections	✓	
➤ Little expertise on Fire and Building Safety in the whole market (e. g. electric engineering)	✓	Capacity-building of experts and trainers, policy guidance for government
➤ No opportunity for workers to raise concerns on safety in factory	✓	External complaint process
➤ Not enough awareness of fire risks among managers and workers	✓	Factory trainings (workers and managers)
➤ Lack of transparency when safety risks are detected	✓	Public supplier list and transparent inspection reports accessible for workers, companies and government
➤ Not enough pressure on government; isolated brand approaches	✓	Policy guidance for government on fire safety

2. What? The core elements of the program

Effective combination of instruments on factory level and sector-wide



3. Who? The program parties

A broad coalition of international and Bangladeshi key stakeholders

Brands, their suppliers and factories

- PVH Corp. (Tommy Hilfiger and Calvin Klein), New York City
- Tchibo, Hamburg

International labor rights groups and unions

- IndustriALL Global Union (former ITGLWF), Geneva
- Clean Clothes Campaign (CCC), Amsterdam
- The International Labor Rights Forum (ILRF), Washington D.C.
- Worker Rights Consortium (WRC), Washington D.C.
- Maquila Solidarity Network (MSN), Toronto
- Maquila Health & Safety Support Network (MHSSN) (not a signatory but supporting with expertise)

Bangladeshi labor rights groups and unions

- Bangladesh National Council of Trade Unions representing 8 garments unions (BNC)
- 4 independent garment unions
- 1 labour NGO

The government and employers' associations in Bangladesh are to be included into the programme activities.

Other brands and stakeholders are invited to join...

4. How? The cornerstones of implementation

Business and labor representatives decide together; management committee will be established to plan the program activities

Timeline	<ul style="list-style-type: none">• <u>Start</u>: as soon as 4 brands have signed on (2 have already signed)• <u>Duration</u>: two years, afterwards self-sustaining• <u>Project plan</u>: to be prepared within 1,5 month from start date
Management	<ul style="list-style-type: none">• <u>Steering bodies</u>: Task Force (9 members) and Oversight Committee (5 members) with equal numbers appointed by business and labor and one person jointly appointed• <u>Appointed staff</u>:<ul style="list-style-type: none">• Independent Chief Inspector and expert team• Training Coordinator and training team• Administrative Coordinator with accounting personnell
Budget	<ul style="list-style-type: none">• In proportion to the annual volume of <u>garment production in Bangladesh</u>• Relative to the respective annual volumes of garment production of the <u>other companies</u>• Maximum 500,000 US\$ per year per company• For companies with over 1 billion US\$ corporate revenue, minimum of 250,000 US\$

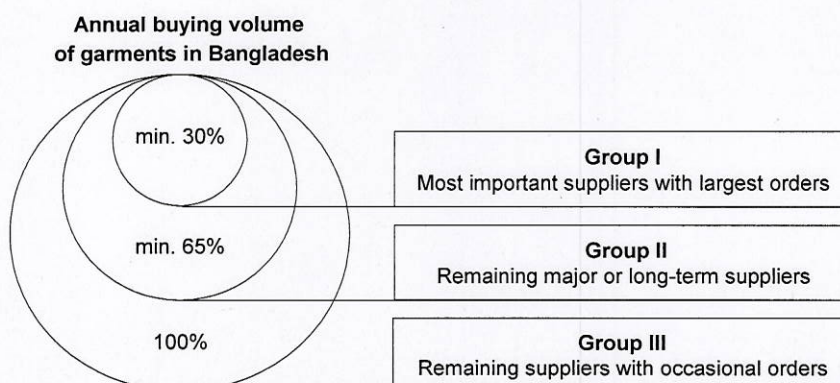
5. Contributions from business side (1/3)

Brands	Factories
<ul style="list-style-type: none"> ➤ Support the implementation of the program activities at their suppliers ➤ Provide updated factory list to Chief Inspector and accept publication of aggregated supplier list* ➤ Participate in the workshop to prepare implementation ➤ Fund the program ➤ Buying prices which support safe workplaces ➤ As a last resort, if factory fails to remediate high risk, cease doing business, relocate to safe factory in Bangladesh and ensure support to workers that might be left without jobs ➤ Accept a process for binding and legally enforceable arbitration of disputes 	<ul style="list-style-type: none"> ➤ Allow independent investigation and commit to remediation plan ➤ Set-up OHS committees (legally required) ➤ Participate in trainings and allow union representatives to join training sessions (only first-tier factories making up min 30% annual buying volume in Bangladesh) ➤ Grant workers access to complaint process
<ul style="list-style-type: none"> ➤ Ensure that contracts and wages for workers are continued in case temporarily closure for renovations. 	

* One list for all factories which supply to the undersigning brands in Bangladesh will be made public; individual supplier lists are kept confidential

5. Contributions from business side (2/3)

Brands are expected to provide a factory list* prioritizing factories according to the buying relationship**



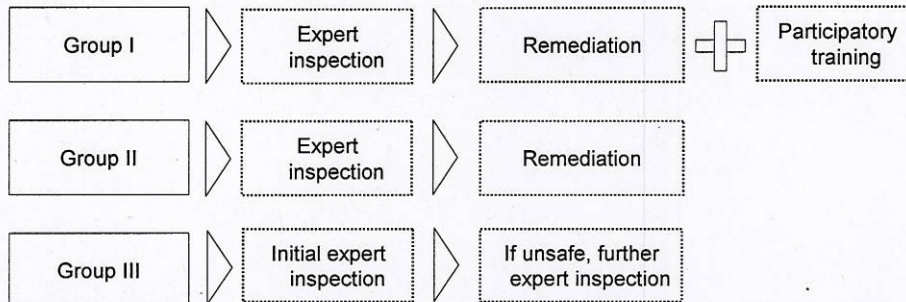
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** In the MoU text, the prioritised groups are referred to as Tier I, Tier II and Tier III.

5. Contributions from business side (3/3)

Factories are guided to comply with safety standards

Depending on the buying relationship*, the following program will be implemented:



All factories are required

- To set up an Occupational Health and Safety Committee as required by law;
- To grant access to complaint process

* In the MoU text, the prioritised groups are referred to as Tier I, Tier II and Tier III.

6. Contributions from labour side

- Establish a platform for **collaborative approach**
- Provide **access to trade unions, labor groups and workers**
- Contribute with **expertise** and establish contact to independent experts
- **Ensure credibility and legitimacy**
- **Set-up joint program** structure and participate in workshop to prepare implementation
- **Build capacity** among labor groups and unions

7. Benefits

- **Safer factories** through independent expert inspection and remediation
- **Credible complaint system** for workers and brands to address concerns
- **Program sustainability** by involving government and (local) key stakeholders as well as workers
- **Paradigm shift** away from a confrontational approach to a joint collaborative approach
- **Paradigm shift** away from reaction to prevention and due diligence