

More retailers sign Bangladesh accord | National

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Dhaka: Italian fashion brand Benetton, Spanish retailer Mango and British retailer Marks & Spencer have become the latest global retailers to agree to sign a one-of-a-kind pact to improve safety at Bangladesh factories following a building collapse that killed more than 1,100 workers in the country last month, UNB reported Thursday.

The move, announced by the three companies Tuesday, comes after H&M, a trendy Swedish fashion chain that is the largest clothing buyer in Bangladesh, said Monday that it would sign the same five-year legally binding factory safety contract.

Within hours, C&A of the Netherlands, British retailers Tesco and Primark, and Spain's Inditex, owner of Zara, followed.

The announcements come ahead of a Wednesday deadline imposed by worker rights groups that said they would increase pressure on brands that did not sign the agreement.

"We decided to support this agreement so that our group can be at the forefront of contributing to a significant and lasting improvement in working conditions and safety in Bangladesh," Biagio Chiarolanza, CEO of Benetton Group SpA, said in a statement.

The agreement requires that the companies conduct independent safety inspections, make their reports on factory conditions public and cover the costs for needed repairs. It also calls for them to pay up to \$500,000 annually in the administrative costs of the program. It also requires them to stop doing business with any factory that refuses to make safety upgrades and to allow workers and their unions to have a voice in factory safety.

The eight companies that agreed to the pact join two others that signed the contract last year: PVH, which makes clothes under the Calvin Klein, Tommy Hilfiger and Izod labels, and German retailer Tchibo. The agreement has since been expanded to five years from two.

Among the holdouts, Wal-Mart, the second-largest clothing buyer in Bangladesh, said through spokesman Kevin Gardner on Monday that it had nothing to announce. And Gap, which had been close to signing the agreement last year, said late Monday that the pact is "within reach," but the company is concerned about the possible legal liability involved.

Labor groups applauded the retailers that agreed to the pact. They say the agreement goes a long way toward improving working conditions in Bangladesh's garment industry, which long has been known to be dangerous.

The agreement comes as the working conditions of Bangladesh's garment industry have come under increased scrutiny. Since 2005, at least 1,800 workers have been killed in the Bangladeshi garment industry in factory fires and building collapses, according to research by the advocacy group International Labor Rights Forum.

The two latest tragedies in the country's garment industry have raised alarm. The building collapse at Rana Plaza on April 24 was the industry's worst disaster in history. And it came months after a fire in another garment factory in Bangladesh in November killed 112 workers.

Following the latest tragedy, Walt Disney Co. announced that it is stopping production of its branded goods in Bangladesh. But most retailers have vowed to stay and promised to work for change. H&M and Wal-Mart both have said they have no plans to leave. Other big chains such as The Children's Place, Mango, J.C. Penney, Gap, Benetton and Sears have said the same.

But the pressure has increased for those that stay. Since April's building collapse, Avaaz, a human rights group with 21 million members worldwide, has gotten more than 900,000 signatures on a petition pushing Gap and H&M to commit to the proposal. And in the U.S., university chapters of United Students Against Sweatshops are helping to stage demonstrations against Gap in more than a dozen cities including Seattle, Los Angeles and New York.

The safety agreement comes two years after a fire and safety proposal drawn up by labor unions was first rejected by many clothing companies as too costly and legally binding. The latest agreement is a revised version of that proposed pact.

Forty companies, including Wal-Mart, H&M, and J.C. Penney, met in Germany with labor rights groups, labor unions and nongovernmental organizations days after the building collapse. They discussed how the industry could improve safety conditions in Bangladesh.

Only a few companies, including Primark and Canada's Loblaw Inc., which owns the Joe Fresh clothing line, have acknowledged that suppliers were making clothes for them at the Rana Plaza site and have promised to compensate workers and their families. Loblaw's CEO said suppliers were making clothes for as many as 30 brands and retailers at the site.

Benetton labels were found at the site, and the Italian fashion brand acknowledged that one of its suppliers had used one of the factories. The company said that before the collapse, the factory had been removed from its list of approved factories.

Mango MNG Holding, whose production documents were found in the ruins, has said it was planning to produce there but hadn't started.

