

Occupational Health and Safety in the Supply Chain

*Lessons from the Bangladesh
Factory Collapse*

19 June, 2013 – 10:00 AM EDT



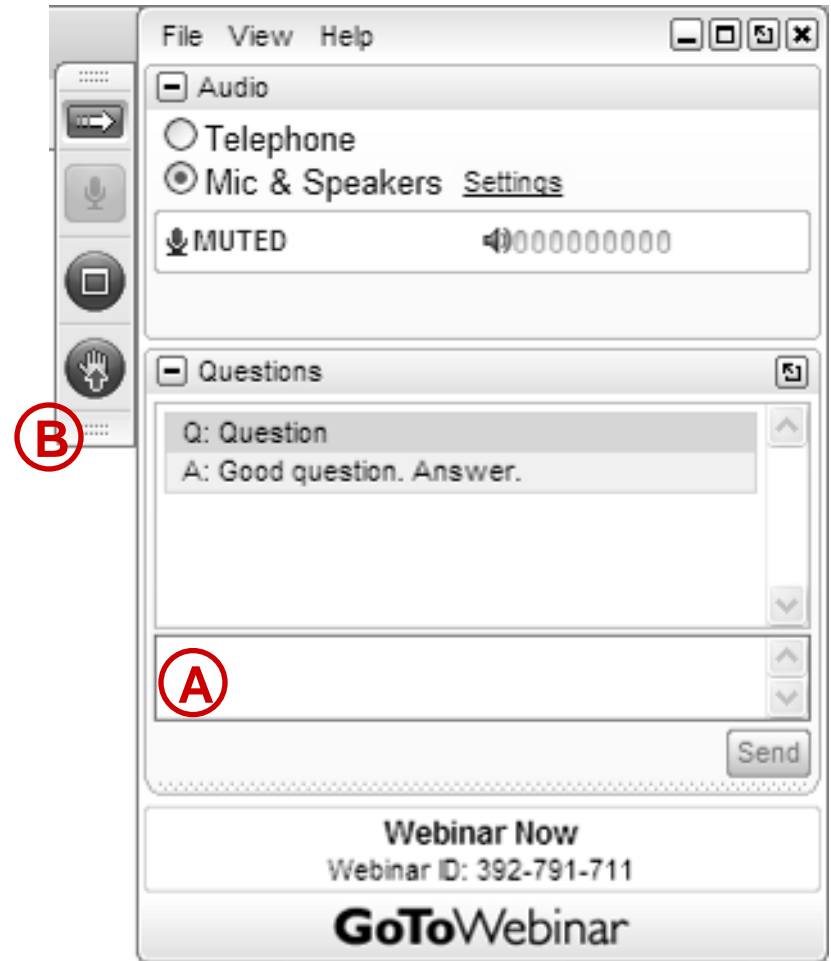
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Questions

Technical Difficulties: If you have technical issues, please let us know by typing a message in the Questions pane (A). You can raise your hand (B) if we do not respond.

Q&A: We will be taking questions on content at the end, but you can send them to us throughout the webinar by using the Questions pane (A). Please specify to whom the question should be directed.

Example: Question for John Doe: What is Human Trafficking?



Agenda



Introduction

Anita Househam, Policy and Legal Adviser, UN Global Compact



Occupational Health and Safety

Conor Boyle, Global Operations Manager, Better Work (ILO/IFC)



Signature of the Accord on Fire and Building Safety

Aleix Gonzalez Busquets, Senior CSR and Supply Chain Manager, Inditex



Occupational Health and Safety in the Supply Chain in Bangladesh

Ola Ree, Vice President, Telenor Group

Q & A: Remaining Time



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Global Compact – Recent Activities

- Note on Occupational Health and Safety with Better Work, March 2013 (ILO/IFC)
- Webinar 19 June 10 am EDT
- UN Support for the Accord on Fire and Building Safety in Bangladesh
- UN Global Compact headline on International Workers Day: *‘Bangladesh Tragedy Reinforces Need for Corporate Action to Ensure Health and Safety in Supply Chains’*
- Occupational Health and Safety on the Human Rights and Business Dilemmas Forum
- Webinars on Grievance Mechanisms and the Guiding Principles on Business and Human Rights.

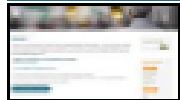


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UN Global Compact – Supply Chain Sustainability Tools & Resources

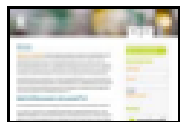
The UN Global Compact encourages signatories to engage with their suppliers around the Ten Principles, thereby developing more sustainable supply chain practices. To assist with this, UNGC has created the following resources for sustainable supply chain management, which can be found at http://www.unglobalcompact.org/issues/supply_chain/guidance_material.html.

Sustainable Supply Chains: Resources and Practices



This website provides information on initiatives, resources and tools to assist companies in developing more sustainable supply chains, as well as examples of good company practices.

Quick Self-Assessment & Learning Tool



This online tool is intended to help companies take stock of their approach to supply chain sustainability, to identify areas for improvement by comparing their practices against peers and other companies, and to provide links to resources to help them make specific improvements.

Supply Chain Sustainability – A Practical Guide for Continuous Improvement



Available In 中文 | English | Español | 日本語 | Deutsch | Türkçe | Português | हिन्दी | বাংলা

This Guide illustrates how UN Global Compact signatories can implement the ten principles throughout their supply chains and integrate sustainability into their procurement strategies. It includes examples of good corporate practices.

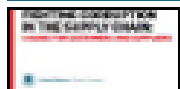
A Practical Guide for Continuous Improvement for Small and Medium Enterprises



Available In English | Deutsch

This two-page guide offers baseline definitions and practical steps that SMEs can take toward effective management of the social, environmental and economic impacts of supply chains.

Fighting Corruption in the Supply Chain: A Guide for Customers and Suppliers



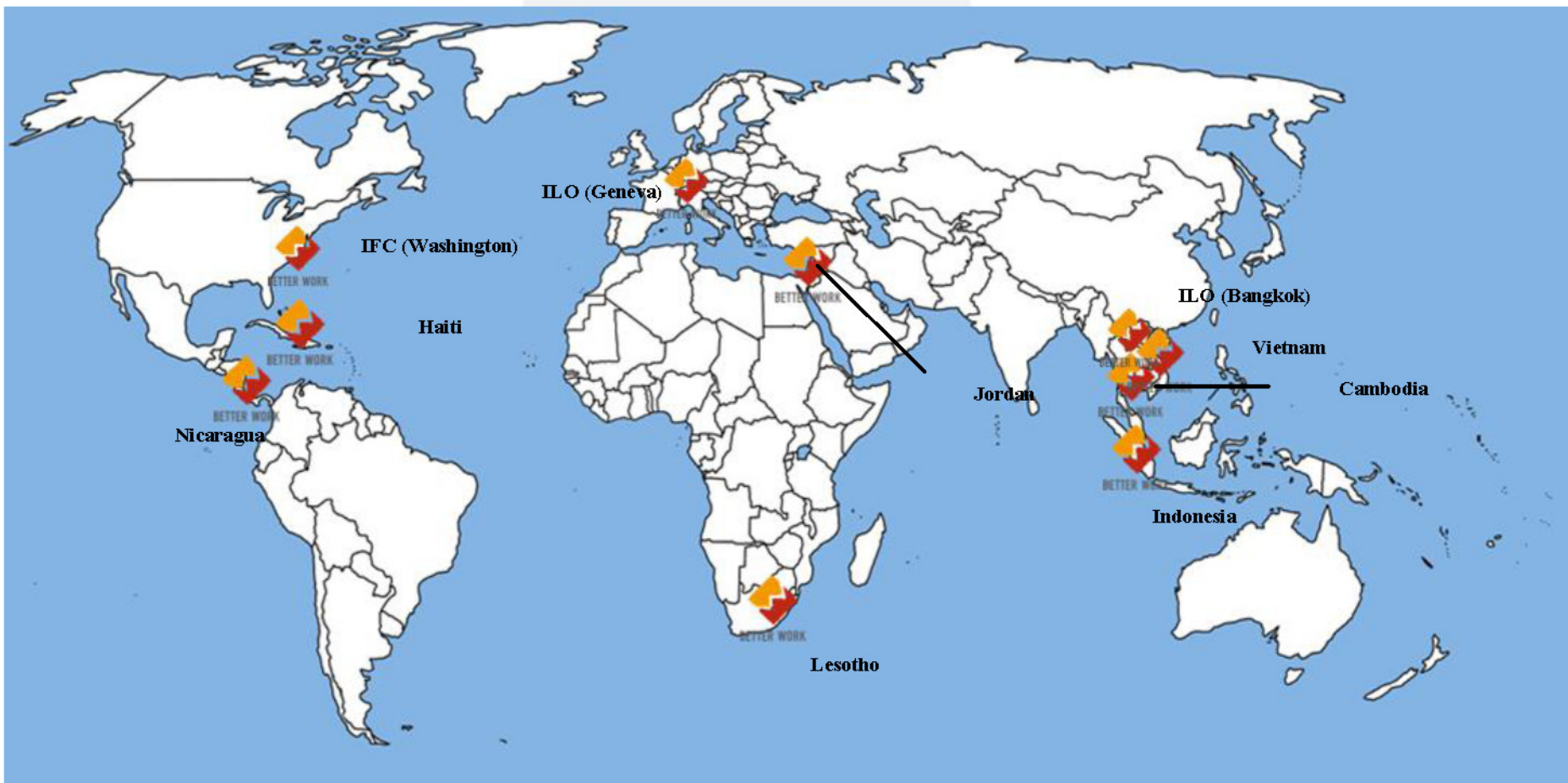
This publication includes practical guidance and tools for both customers and suppliers to engage in the fight against corruption. The Guide was created by the UN Global Compact 10th Principle Working Group.

Global Compact OSH presentation





BETTER WORK



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Better Work- Core services

Integrated approach to improvement:

- ✓ **Assessment** establishes a baseline
 - 2 staff conduct an assessment over 2 days
- ✓ **Advisory services** help factories make improvements, with ongoing technical advice and inputs
- ✓ **Training services** provide a deeper level of instruction in key areas needed by each factory

Advisory Services

Specific for each factory:

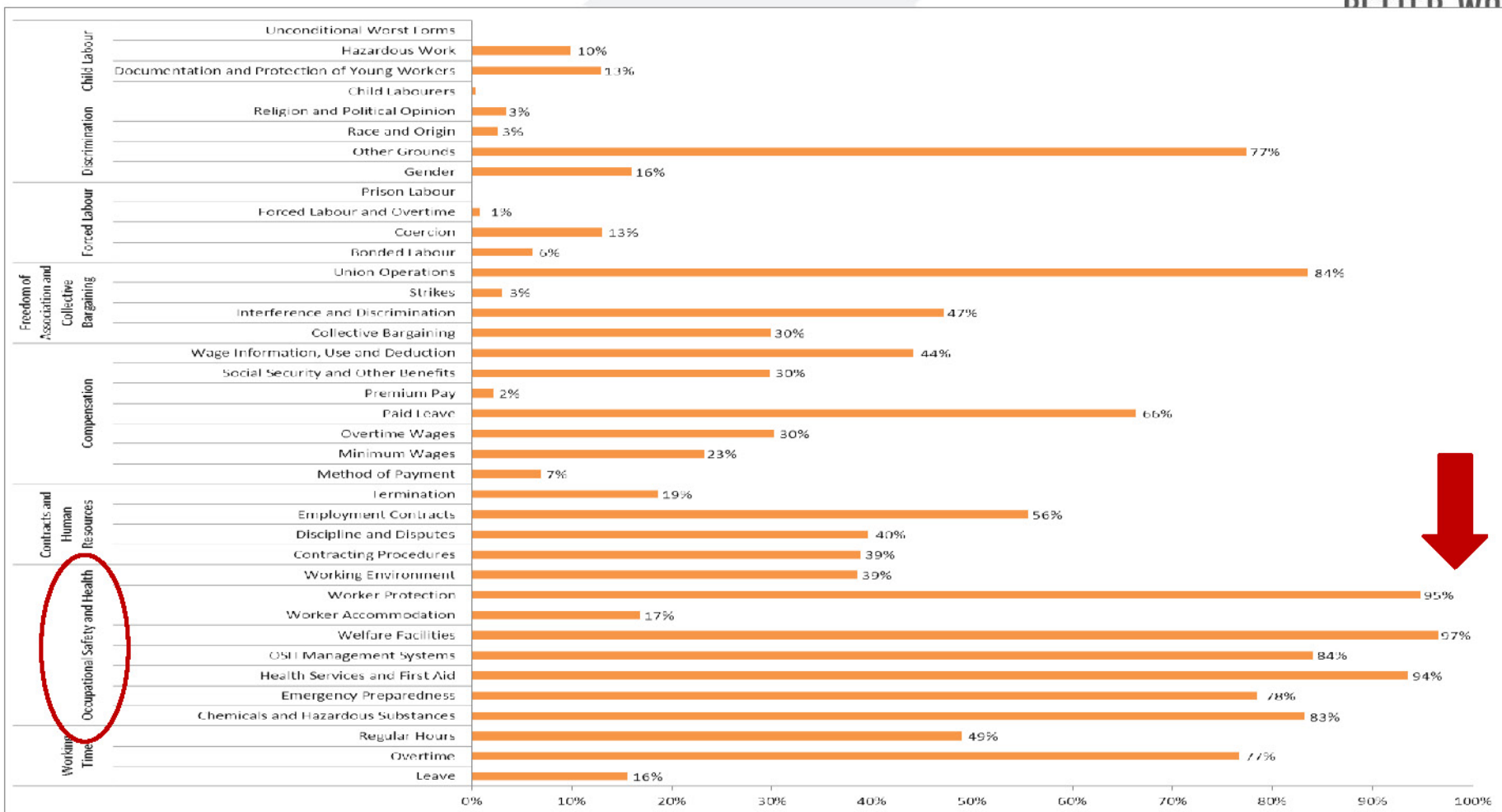
- Establish Performance Improvement Consultative Committee (**PICC**), with management and TUs\worker representatives
- Develop and implement **Improvement Plans**
- Increase ability of workers and managers to **solve problems together**
- Identify **training needs**
- Provide 2 **progress reports**/year on improvements



Global synthesis report



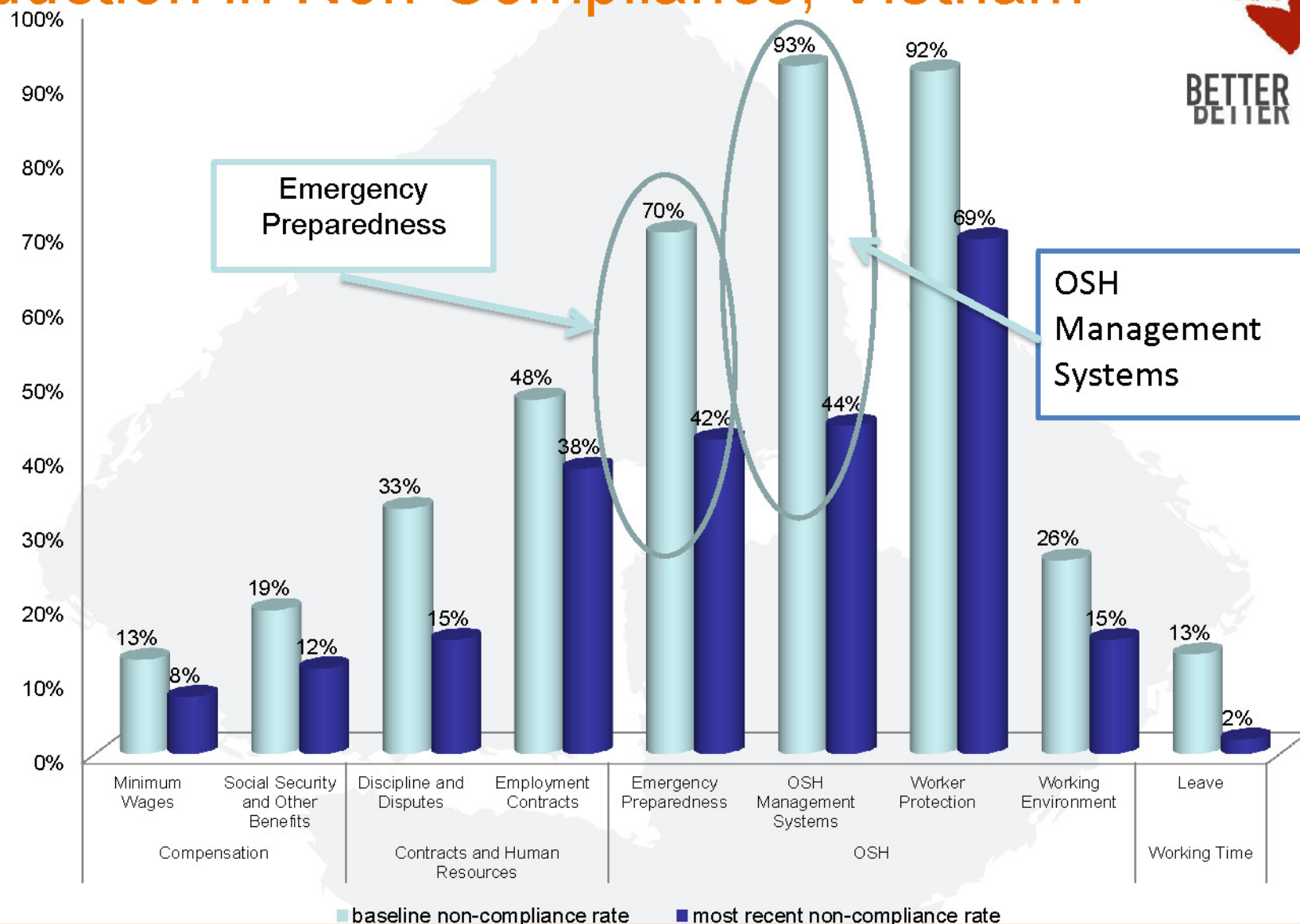
BETTER WORK





BETTER WORK
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Reduction in Non-Compliance, Vietnam



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Bangladesh Tragedies: Ensuring the workers' voice is heard



Tazreen Factory: What happened?



Bangladesh
24 November 2012
124 dead
More than 200
injured

Rana Plaza: What happened?



BETTER WORK



Bangladesh
24 April 2013
1129 dead



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14.06.2013

Title

Rana Plaza: What happened?



BETTER WORK



Bangladesh
24 April 2013
1129 dead

Same problem in both cases:

There was no union / worker representatives with access to the factory who were sufficiently strong to defend workers safety



Who can represent workers OSH issues?

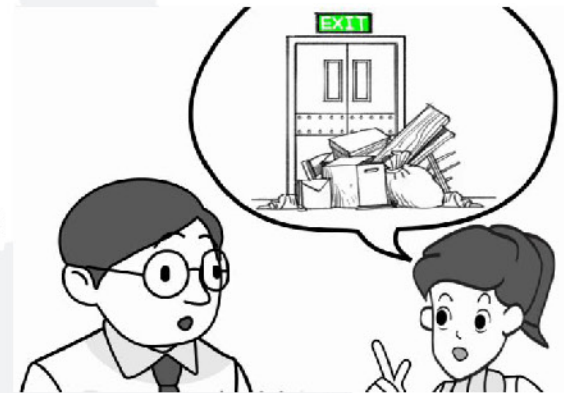


- Worker / Union representative
- Safety representative
- Member of the fire safety team

Safety Representatives

Tasks:

- Support other workers in the section to implement safety requirements
- Identify safety problems
- Participate in risk assessment & design of corrective actions
- Receive safety complaints from workers and investigate
- Present these to trade union representative, section leader, OSH committee or management
- Give feedback to workers



Union Representatives

Tasks Related to Safety:

- Liaise with the employer to ensure that:
 - a fire fighting team is set up & receives adequate training
 - a network of safety representatives is set up and receives adequate training
 - adequate management system for OSH is set up by the company
- Participate in PICC meeting / OSH committee meeting
- Propose inclusion of safety provisions in CBA

Fire fighting team

Tasks:

- Ensure regular evacuation drills are implemented
- Coordinate smooth evacuation
- Fight fire
- Liaise with public fire brigade



ACCORD- on Fire and Building Safety in Bangladesh

- Bi-partite arrangement – Global unions and 44+ brands with ILO as neutral chair
- Mainly European, but increasingly globalised group
- Safety inspector- must try and have all supplier factories inspected (building and fire safety) within 2 years
- Within 3 months of inspection remedial action to be taken

ACCORD- on Fire and Building Safety in Bangladesh

- Inspections are made public (within 6 weeks)
- ALL factories must establish a bi- partite OSH committee
- Workers jobs must be protected in case factory needs to temporarily close due to remedial action
- Buyers must fund the process

Thank you !



The signature of the Accord on Fire and Building Safety in Bangladesh

Lessons learned and next steps.

Contents.

- a) Initiatives developed by the international Community.
- b) The signature of the Accord and its implications
- c) Parallel initiatives carried out by Inditex.

a) Initiatives developed by the International Community.

▶ **2011. Joint Memorandum of Understanding on Fire and Building Safety.**

- Promoted by CCC y WRC.
- Signed by PVH y Tchibo.
- For its real implementation it was asked that at least 4 “retailers” would sign the MoU.
- Complex Implementation since it was not taking into account the local institutions.

a) Initiatives developed by the International Community.

- ▶ **January 2013. Joint Statement of Commitment** adopted by the Tripartite Partners (Government, TU y BGMEA) during a meeting organized by the MoLE and the ILO. They compromised on the development of the “*National Tripartite Plan of Action on Fire Safety*” (NAP).

 - ▶ **March 2013. Signature of NAP** managed by the ILO and IndustriALL. It is defined in three levels:
 - Legislative.
 - Administrative
 - Practical
- The NAP is fundamental since provides the necessary legitimacy to al the activities to be carried out.

a) Initiatives developed by the International Community

March 20th 2013. Principles for an Alliance for Fire and Building Safety in Bangladesh. Draft prepared by IndustriALL with the support of Inditex. Seeks to create the necessary steps to “upgrade” the NAP to Brands and Civil Society and to ensure safety conditions for the garment workers in Bangladesh.

- ▶ **May 15th 2013. Accord on Fire and Building Safety in Bangladesh.** Signed between IndustriALL / UNI and 40 international retailers along with the witness signatories of CCC y WRC.

b) The signature of the Accord and its implications

- ▶ Establishment of an Implementation Team in charge of agreeing the next steps of the agreement:
 - 6 representatives company reps.
 - 6 NGO and TU reps.
 - ILO Rep.
 - 45 days to land all the process.
- ▶ Creation of a *Chief Inspector* that will coordinate the activities as well as the creation of the Standard to be applied.
- ▶ Steering Committee which will be the decision making body.
- ▶ The agreement foresees the capacity to launch projects in other areas along with the workers.

C) Parallel initiatives carried out by Inditex.

- ▶ Additionally, Inditex has launched a project along with ARUP in order to ensure the safety conditions of all the factories that are producing garments for Inditex in Bangladesh.

FIRE PREVENTION

- ▶ In 45 days a *risk assessment* will be available.
- ▶ As a consequence, 4 groups of factories will be determined:
 - Acceptable conditions.
 - Minor interventions at the factory.
 - Moderate interventions at the factory.
 - Severe interventions at the factory.
- ▶ Ensuring that all the structural improvements are being made.
- ▶ Promoting systems to ensure that workers are engaged in the decision making at factory level.

C) Parallel initiatives carried out by Inditex.

DETERMINING THE POTENTIAL STRUCTURAL RISKS.

- ▶ Adoption of a methodology associated with an earthquake risk.
- ▶ What we will prevent:
 - Avoiding *multi-purpose buildings*.
 - Avoiding those set ups with more stories build than what is legal.
- ▶ Need of knowledge of the characteristics of the buildings and the soil in Bangladesh.
- ▶ Developing of a “*scoring*”:
 - *Green*: the structure is safe.
 - *Yellow*: a further investigation is deems necessary.
 - *Red*: the structure is not safe and immediate remediation process has to initiate.

THANK YOU

INDITEX

Occupational Health and Safety in the Supply Chain in Bangladesh

*Ola Ree
Vice President*

Telenor in Bangladesh: Grameenphone (GP)

- No 1. mobile operator: 42 mill subscribers and 8200 direct and indirect employees
- GP is the largest Corporate tax payer in Bangladesh
- Telenor has invested app \$1.6 billion
- Internal HSE established from day 1 (1996) (preferred employer)
- Due to an incident with Media attention in 2008, Supply chain Sustainability (SCP) was implemented:
 - Permanent SCS line function in GP
 - 1200 first line suppliers legally bound to follow *Telenor Supplier Conduct Principle*
- GP Supply Chain Sustainability:
Continuous improvement regime



Supply Chain sustainability activities in Grameenphone:

Continuous improvement regime

- ✓ Yearly Self Assessment (SAQ) for the suppliers
- ✓ More than 2000 supplier inspection/audits by GP or 3rd party since 2008
- ✓ Risk reduction based on the SAQ and inspections
- ✓ Most common improvements area is Health and Safety:
 - No use of Personal Protecting Equipment
 - Dangerous working environment
 - Lack of proper training
- ✓ Capacity building :
 - Video learning program (“People first”)
 - Training and meetings for suppliers (200+)
 - Incident recording and mitigation



THANK YOU !

Thank You

Thank you for joining us today.

Presentation slides and a recording of the webinar will be available on the UNGC website.

If you have any additional questions, please contact:

Anita Househam: househam@un.org



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