

***Benetton's "Scheme  
of Compensation"  
for Rana Plaza  
victims***

*April 2015*

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- Data related to turnover (including audited financials) of the five suppliers based out of Rana Plaza was not available. Further, data made available to us by the BGMEA with respect to export turnover of the five suppliers does not have details of the sub-contracting from local Bangladeshi manufacturers to Rana Plaza.
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## ***List of abbreviations***

BDT	Bangladeshi Taka
BGMEA	Bangladesh Garment Manufactures and Exporters Association
BILS	Bangladesh Institute of Labour Studies
BUET	Bangladesh University of Engineering and Technology
CDD	Centre for Disability in Development
CCDB	Christian Commission for Development in Bangladesh
CPD	Centre for Policy Dialogue
CRP	Centre for the Rehabilitation of the Paralysed
CSO	Civil Society Organisation
DAP	Detail Area Plan
DU	Dhaka University
F&E	Fair and Equitable
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ILO	International Labour Organisation
MoLE	Ministry of Labour and Employment
MoU	Memorandum of Understanding
NGO	Non-Governmental Organisation
NSDC	National Skills Development Council
NTAP	National Tripartite Plan of Action on Fire Safety and Structural Integrity
NWB	New Wave Bottom Limited
PMO	Prime Minister's Office
RAJUK	Rajdhani Unnayan Kotripokkho
RMG	Ready Made Garment
RPA	Rana Plaza Arrangement
RPCA	Rana Plaza Claims Administration
RPCC/RPCC	Rana Plaza Coordination Committee/Rana Plaza Coordination Cell
USD	United States Dollar
WRAP	Worldwide Responsible Accredited Production

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## Section 1

# ***Background of the engagement***

## ***Background***

The collapse of the Rana Plaza building in Bangladesh is perhaps one of the most severe disasters in the garment industry so far. This incident caused 1,134 deaths and left 2,378 people injured. It has led the Government of Bangladesh to relook at the safety standards and working conditions not just in the garment industry, but other industries as well.

The Rana Plaza Trust Fund (hereinafter referred to as ‘the Fund’) was set up in January 2014, to compensate for the loss suffered by the victims. This Fund is expected to be financed by contributions from buyers (major garment brands), as well as the Government, aid agencies and private donors. After an assessment of the level of casualties, as per an ILO-formulated claim validation process, the compensation amount for all the beneficiaries was determined by the ILO at USD 30 million.

Every major brand associated with Rana Plaza is expected to make voluntary contributions to the Rana Plaza Trust Fund<sup>1</sup>. However, there is no formal mechanism set up so far to determine the respective share of contribution by each brand to the Fund.

Rana Plaza had five suppliers operating from the building the time of the disaster, manufacturing garments for global brands. NWS was one of the five suppliers manufacturing garments for Benetton.

Benetton has appointed PwC India to suggest recommendations for deriving a fair and equitable compensation (‘Compensation Scheme’) which would assist Benetton in determining their share of the contribution to the Fund.

This report sets out PwC India’s recommendations to Benetton.

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<sup>1</sup> *TUAC & OECD Watch (2014)*

## ***Steps undertaken***

The development of the compensation framework was based on a review of available public information, interactions with stakeholders <sup>2</sup>(government as well as non-government) and interviews with a few of the victims. The victims identified for interviews were selected independently by PwC, in order of their relevance, post a review of the documents. The methodology adopted by us is as follows:

- **Review and analysis of secondary literature** (refer **Annexure 1** for details) to reconstruct the story of the disaster and determine the sequence of events leading to the tragedy and responses / efforts undertaken by various stakeholders post the disaster (refer **Annexure 9** for important milestones).
- **Interactions with various stakeholders** (refer **Annexures 2 & 4**) post review of the literature available in the public domain. This included industry associations and forums (BMGEA, RPCC), academic and research institutions (Dhaka University, BUET), donors & multilateral agencies (ILO), INGOs (Action Aid) and CSOs/NGOs, etc, working to support the victims of Rana Plaza. This helped us in understanding their perspective on the incident, reviewing the response mechanisms post the disaster, understanding the operational modalities of the Fund and the guidelines of the compensation process.
- **Interviews with a total of 56 workers, selected by us with the help of local NGOs** (refer **Annexure 5** for questions asked), of which, 23 interviews were conducted with the families of workers who died in the accident, while the rest of the 33 workers were from among the injured. Our interactions helped us assess the situation of the victims and the compensation received by them till date. This approach also helped in **corroboration** of the data inferences from our secondary research by associating these with the observations/findings from the primary research at the victim / beneficiary level.
- The final step of our approach was to develop a **‘list of options’** for Benetton and then suggest a fair and equitable (F&E) contribution of Benetton to the Fund, for their review and adoption. The principles, process methodology, computations and estimates for the same are set out in **Section 6** of this report.

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<sup>2</sup> *By stakeholders, we refer to the institutions / agencies / companies / individuals having a contractual relationship with the Rana Plaza, or those who were impacted by the tragedy (workers etc), and also to those institutions / agencies / companies / individuals, who were closely involved in the relief & rehabilitation measures post the disaster.*

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# Section 2

## *Executive summary*

## ***Executive summary***

### **Our engagement**

On 24 April 2013, the Rana Plaza building in Dhaka collapsed. This building had five factories that manufactured garments for several brands across the world.

The International Labour Organisation (ILO) was entrusted with the responsibility to determine the compensation for the victims on an individual basis. Based on an assessment of the level of casualties and deaths, the ILO estimated a total compensation of USD 30 million to be paid to the victims. The Rana Plaza Compensation Arrangement was subsequently set up by the Government of Bangladesh in collaboration with the ILO and other stakeholders, to oversee the fund mobilisation and payment process.

Payments to Rana Plaza victims foreseen under the Arrangement are to be financed by a combination of funds, including contributions from buyers and other private donors. However, there is no mechanism set up to determine the share of contribution from the buyers and/or donors.

Accordingly, Benetton has appointed PwC India as an independent third party to suggest recommendations for deriving a fair and equitable compensation ('Compensation Scheme') which would assist Benetton in determining their share of the contribution to the Fund.

### **The Rana Plaza incident**

Rana Plaza was a commercial establishment in Savar (a municipality close to the capital city of Dhaka, Bangladesh) that housed five garment suppliers manufacturing garments for global brands. The building was constructed in the year 2006. In 2008, the mayor of Savar Municipality gave permission to Sohel Rana (Director of Rana Plaza) to increase the number of floors from 5 to 9. As a pre-requisite, every building that increases the numbers of floors requires a pre-clearance from the Capital Development Authority of Bangladesh (also known as RAJUK). In the case of Rana Plaza, this clearance was not obtained.

On 23 April 2013, workers in Rana Plaza noticed cracks in the building. An inspection was carried out by the Bangladesh Industrial Police, who recommended the suspension of operations with immediate effect<sup>3</sup>.

However, based on personal assurance given by the five factory owners (post Sohel Rana's intervention), the workers returned to work the next day<sup>4</sup>. The building subsequently collapsed the same day, resulting in 1,134 deaths and 2,378 injuries.

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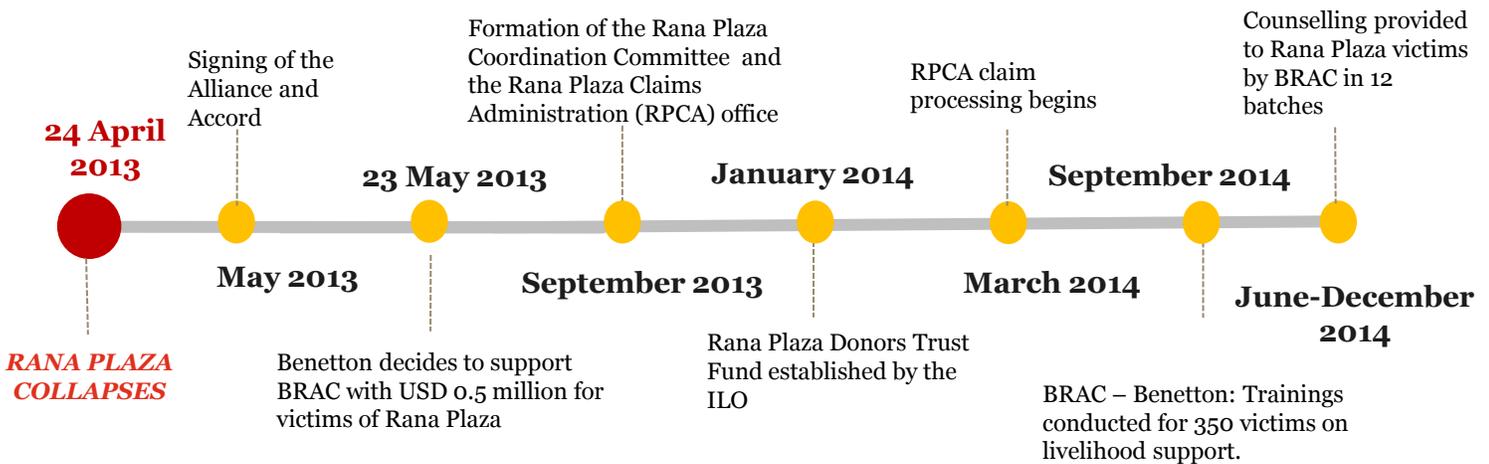
<sup>3</sup> *Bangladesh Parliamentary Group Report (2013)*

<sup>4</sup> *Odhikar (2013) and Motlagh (2014)*

*Executive summary (cont'd)*

Independent assessments were carried out by different agencies, such as the Bangladesh Parliamentary Group, the BGMEA, Ministry of Labour, among others. Violation of construction rules (including use of sub-standard materials, weak foundation base, incorrect installation of generators) were the primary reasons for the collapse, as mentioned in the reports.

### Events after the tragedy



### Compensation to victims

A coordination committee was set up by the Government of Bangladesh in September 2013 to facilitate support to the victims and/or their families. In January 2014, the Rana Plaza Trust Fund was created to facilitate the disbursement of compensation to the victims.

The International Labour Organisation (ILO) was entrusted with the responsibility to determine the compensation for the victims on an individual basis. Based on assessment of the level of casualties and deaths, the ILO estimated a total compensation of USD 30 million to be paid to the victims. The Rana Plaza Compensation Arrangement was then set up by the Government of Bangladesh in collaboration with the ILO, major garment brands, trade unions and NGOs to oversee the same. So far, partial compensation has been disbursed through the Prime Minister's National Relief Fund and Primark.

### Benetton's commercial association with Rana Plaza

#### *Relationship between Benetton, Shahi Exports and NWS*

Shahi Exports (India) was a supplier to Benetton from 2007. Shahi sourced garments from New Wave Style (NWS), which was one of the five factories in the Rana Plaza complex. NWS manufactured garments for Benetton under this arrangement from 09 October 2012 till 03 April 2013. Benetton was aware of this arrangement and had conducted an on-site factory evaluation of NWS on 13 Aug 2012 to provide an authorization for Shahi Exports to sub-contract to NWS.

*Executive summary (cont'd)*

*Factory evaluation of NWS by Benetton*

Benetton conducted a factory evaluation of NWS facilities in August 2012. Based on this evaluation, NWS was given a rating of 7/10 and deemed fit for production.

*Benetton’s sourcing from NWS*

The tables below summarises Benetton’s sourcing from Rana Plaza for the years 2012 and 2013.

Supplier	2012	2013
<b>New Wave Style</b>	Shirts produced for Benetton	Shirts produced for Benetton
<b>Total</b>	<b>112,859 pcs</b>	<b>153,995 pcs</b>

	Date	Quantity (nos.)	Value (USD)
First invoice	09 October 2012	14,236	30,863.65
Last invoice	03 April 2013	5,403	13,788.46

In 2013, Benetton sourced 48.70% of all its products from Asia (in terms of total value of goods sourced).

10.2% of the total value of Benetton’s products was derived from products produced in and sourced from Bangladesh.



### **Benetton's initiatives post the disaster**

Benetton set aside USD 0.5 million for an integrated package to rehabilitate the victims and their families. They entered into an association with BRAC for this initiative. BRAC utilised this fund to assist the victims with prosthetic limbs, livelihood support and counselling with the objective of enabling them to start earning again.

As informed to us (by Benetton), USD 0.5 million has been fully disbursed to BRAC (in parts), with the last disbursement made in January 2015.

### **Calculation of Benetton's share in the Rana Plaza Trust Fund**

Our methodology to determine Benetton's share is based on the following principles:

- Benetton was one of the 29 brands sourcing from Rana Plaza.
- Benetton was engaged in sourcing products from Rana Plaza in time periods immediately preceding the collapse of the building (between August 2012 to April 2013). Therefore, Benetton has a responsibility to make a contribution.
- The ILO has already determined USD 30 million as the target compensation.
- Benetton should make its contribution towards this Fund.
- The contribution attributable to Benetton should be computed in a manner that best reflects their commercial association with the overall sourcing / production capacity of Rana Plaza.

### **Process methodology:**

Keeping in view the principles above, Benetton's contribution has been computed as:

<b>(A) Benetton's sourcing from Rana Plaza (in pcs)</b> -----	<b>x</b>	<b>(C) Rana Plaza Trust Fund amount</b>
<b>(B) Estimated production of Rana Plaza (in pcs)</b>		

*Executive summary (cont'd)***Benetton's share of the compensation:**

Based on the above formulae, we have computed Benetton's contribution keeping in view the principles of commercial association for a period of 12 months and 24 months. Given that Benetton's sourcing from Rana Plaza happened during a limited time, periods lower or higher (than these periods) may not adequately represent a fair commercial association.

The table below summarises the range that can be used by Benetton in deciding their fair and equitable contribution:

<b>Sl. No.</b>	<b>Criteria</b>	<b>Rana Plaza Production Capacity (in pcs)</b>	<b>Benetton's sourcing (in pcs.)</b>	<b>Benetton share (in %)</b>	<b>Benetton's contribution (in USD MM)</b>
<b>1</b>	Sourcing over 12 months	14,538,114	266,854	1.84 %	0.55
<b>2</b>	Sourcing over 24 months	29,076,228	266,854	0.92%	0.28

Whilst the computation using the compensation framework results in a maximum compensation amount of USD 550,000; that given, Benetton may consider making a higher contribution to demonstrate the importance of social commitment.

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## Section 3

# ***Sequence of events leading to the Rana Plaza disaster***

# Rana Plaza collapse: Key events

*Sohel Rana signs a 29-clause contract for the purpose of constructing a 10-storeyed building in the district of Savar.*

Source: Odhikar, 2013



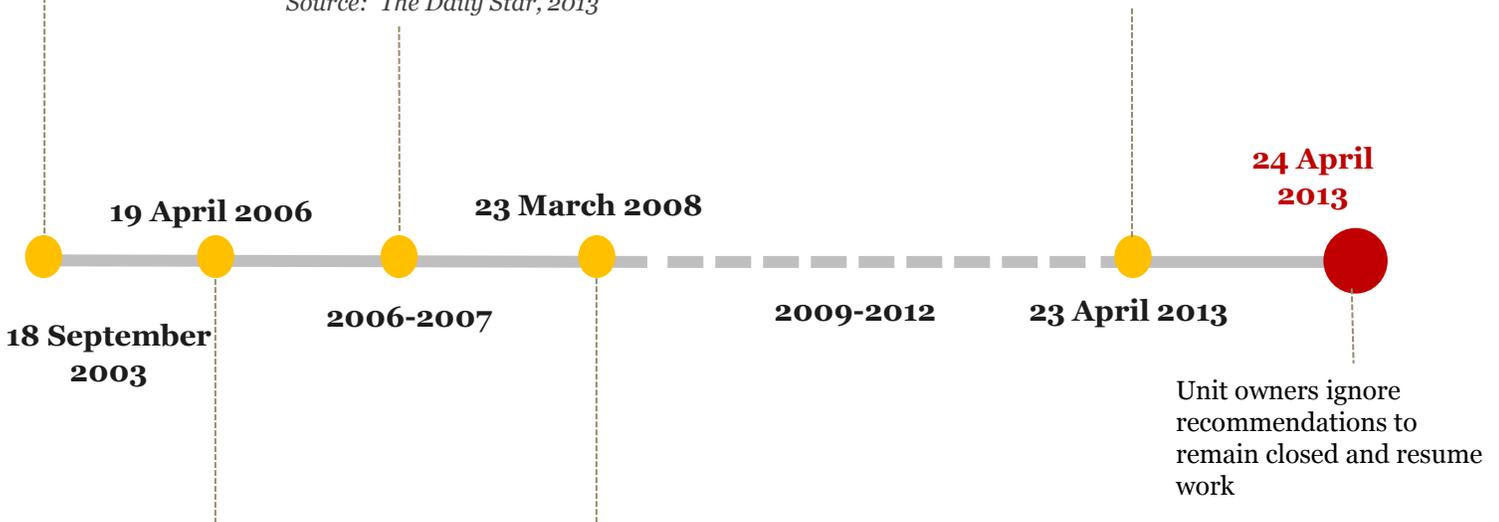
*Five-storey Rana Plaza building constructed*

Sub-standard material used in the construction process

Source: The Daily Star, 2013

Cracks observed in the building. Bangladesh Industrial Police recommend factory owners to suspend operations until the safety of the building can be established by the BUET engineers / RAJUK.

Source: Bangladesh All Party Parliamentary Group, 2013

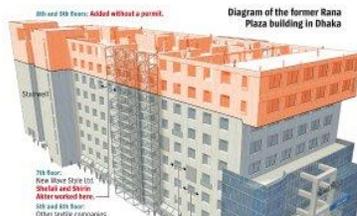


*Savar Municipality gives permission to Sohel Rana to construct Rana Plaza. No construction permit received from RAJUK (Capital Development Authority of Bangladesh). The building was designed for commercial use, but subsequently used for industrial purposes.*

Source: Odhikar, 2013 & The Telegraph, 2013.

Mayor and related authorities give permission to Rana Plaza to *increase its structure from fifth floor to ninth floor*

Source: Odhikar, 2013



Unit owners ignore recommendations to remain closed and resume work

## **RANA PLAZA COLLAPSES**

### Victims

Injured : 2,378  
Deceased:875  
Unidentified: 100  
Missing: 159

Source: ILO, CPD & RPCC



*Case against Sohel Rana filed under Section 12 of the Building Construction Act*

Source: Odhikar, 2013

April 2015

## ***The Rana Plaza story***

### **RMG industry in Bangladesh**

Bangladesh is one of the world's largest exporters of readymade garments. The country reported exports in excess of USD 21.5 billion for RMG (9.77 billion pieces by volume) in the year 2012-13. This accounted for 16.57% of the country's GDP<sup>5</sup>. The industry currently provides direct employment to an estimated 4.2 million people in over 5,600 garment factories across the country, with 70% of the workforce being women. When seen as a share of the total export figure of Bangladesh, RMG had a share of 79.61% for the FY 2012-13, the figure being 78.55% and 78.15% respectively for the FYs 2011-12 and 2010-11 (data referred from the EPB, Government of Bangladesh)<sup>6</sup>. This increasing trend reflects the growing significance of the RMG sector and its role in the country's GDP.

A report by McKinsey in 2011 noted that the global RMG industry is dominated by small margins and flexibility: low prices and high production capacity being the two most attractive aspects of Bangladesh for international brands<sup>7</sup>, leading to a better competitive advantage. However, this rapid growth and price competitiveness has led to quality & safety aspects being ignored. The sub-standard codes on fire and building safety together led to the Rana Plaza tragedy on 24 April 2013. The accident resulted in 1,134 people getting killed and 2,378 being injured<sup>8</sup>.

### **Construction of the Rana Plaza building**

Sohel Rana (Director, Rana Plaza) signed a 29-clause contract with a real estate company named Tonmoy Housing Ltd (in September 2003), for the purpose of constructing a 10-storeyed building in the municipality of Savar. The contract mentioned that the company would construct the basement and five floors above it, but also specified that the foundation of the building would be for 10 storeys.

On 10 April 2006, the Savar Municipality gave permission to Sohel Rana to construct Rana Plaza without assuming any responsibility for the structural design aspects<sup>9</sup>. The building was constructed between 2006-07 and inaugurated in 2009.

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5,6 BKMEA website and report (2015)

7 McKinsey & Company, Inc. (2011)

8 Numbers derived from ILO & RPCC databases and corroborated from the CPD report. According to MoLE, BGMEA, ActionAid Report, BILS Report, Rana Plaza Coordination Cell, 1,135 were killed. As per ILO, 1,134 people were killed. Refer **Annexure 3** for more details.

9 Odhikar (2013)

## ... *Rana Plaza story*

### Gaps in the construction of Rana Plaza

The gaps in the construction of Rana Plaza (as collated from the review of secondary literature) are as follows:

- ❑ **Procedural lapses:** according to the Detail Area Plan (DAP) 1995 and 2010 of the Capital Development Authority of Bangladesh or Rajdhani Unnayan Kotripokkho (RAJUK), commercial buildings could not be built in or around Dhaka without its permission. However, the owners of the Rana Plaza building had received no such construction permit and no action was taken by RAJUK in this regard<sup>10</sup>.
- ❑ It is a pre-requisite to obtain clearance from the RAJUK for increasing the numbers of floors in any building, which was again not obtained in case of the Rana Plaza (for expansion of the building from the 5<sup>th</sup> to the 9<sup>th</sup> floor).
- ❑ **Nature of use :** the building's 'nature of occupancy' was for commercial use. However, it was used for industrial purposes after completion. According to the Bangladesh University of Engineering and Technology (BUET), the load demand calculations (considering weight and vibration of machines) are significantly different between commercial and industrial buildings, a fact that was ignored<sup>11</sup>.
- ❑ **Poor quality of construction:** the building was constructed using sub-standard material with the pillars having a bearing capacity of only 2300 units per square inch (psi), although a minimum of 3,500 psi is required<sup>12</sup>. This meant that the building was not robust to bear with the load of generators placed on the rooftop. The above factors, alongwith the vibration of sewing machines and the generators triggered the building's collapse<sup>13</sup>.

### A day before the collapse - 23 April 2013

A day before the tragedy, the workers in Rana Plaza noticed 2-inch deep cracks on the walls of different floors of the building. An inspector from the Bangladesh Industrial Police was subsequently called in to examine, who then declared the building 'vulnerable'. He recommended the Rana Plaza to be sealed off, pending an examination by experts from the country's leading technical university (BUET) as well as from the RAJUK<sup>14</sup>.

The five factories were subsequently closed for the day and the workers were sent home by factory managers after the lunch break.

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<sup>10</sup> Odhikar (2013), *The Daily Star* (2013) and CPD (2013)

<sup>11</sup> *The Telegraph* (2013)

<sup>12</sup> *The Daily Star* (2013)

<sup>13</sup> *The Telegraph* (2013)

<sup>14</sup> *The Telegraph* (2013), Odhikar (2013) and Bangladesh Parliamentary Group Report (2013)

## ... *Rana Plaza story*

### The day of the tragedy - 24 April 2013

On the morning of 24 April 2013, workers reported for their daily shift to notice that the BRAC bank branch (typically open during business hours) and the commercial establishments on the first two floors were closed for operations. Ignoring the inspector's recommendations to remain closed, the garment factory owners on the 3<sup>rd</sup> to 8<sup>th</sup> floors reopened their units, after another assessment was conducted by engineers employed by Sohel Rana, who declared the building to be safe. The workers who refused to enter the building were subsequently forced inside the building, after orders / instructions were issued by Sohel Rana to all the factory managers<sup>15</sup>.

At 8:45AM, the power supply abruptly stopped in the building causing four diesel generators (each weighing several metric tonnes) to turn on and send vibrations throughout the building filled with more than 3,000 workers. The Rana Plaza building collapsed moments later at about 8:58 AM<sup>16</sup>.

Based on our review of secondary literature and interactions held with the victims, we understand that different government organisations and private sector associations had engaged in the rescue operations and other follow-up activities. Volunteers and members of the local community were the first to arrive at the disaster site to rescue the victims. The survivors were transported to Enam Medical College and Hospital located less than a kilometre away, while the deceased were carried to Adhar Chandra High School. The Centre for the Rehabilitation of the Paralysed (CRP) and Gonoshasthaya Kendra played an important role in supporting Rana Plaza victims, and is still engaged in providing tertiary medical support to the victims through long-term treatment and rehabilitation services.

The following table provides a breakdown of the victims rescued alive and those deceased as per the figures provided by the ILO. The table in **Annexure 3** compares the figures reported by other sources.

#### Data from rescue operations\*

<b>Injured</b>		2,378	
<b>Deceased</b>	875		
<b>Deceased but unidentified</b>	100	1,134	<b>3,512</b>
<b>Missing</b>	159		

\* Data for 4 suppliers obtained from ILO, while data for NWB obtained from the RPCC ; with a balance of 100 workers assumed to be unidentified

<sup>15</sup> Bangladesh Parliamentary Group Report (2013) and Motlagh (2014)

<sup>16</sup> Odhikar (2013), The Telegraph (2013) and Motlagh (2014)

## ***People involved***

As per our review of various reports, those deemed to be directly responsible for the disaster include<sup>17</sup>:

- the owners of Rana Plaza (Sohel Rana and his father Abdul Khalek)
- the owners of the five garment factories housed within Rana Plaza; and
- the responsible engineers of Savar Municipality

The table in **Annexure 4** summarises the involvement of various stakeholders (those who were impacted / had a role in rehabilitation and relief / research agencies) in the Rana Plaza disaster.

**29 globally renowned brands** including Benetton were identified as having sourced products from Rana Plaza in the time period immediately preceding the disaster<sup>18</sup>.

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<sup>17</sup> CPD (2013)

<sup>18</sup> Clean Clothes Campaign (2013), BBC (2014), CNN (2014) and The Guardian (2014). However, we were not able to get the names of the 29 brands. The list provided above and in Annexure 3.1 is indicative.

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# Section 4

## ***Post the Rana Plaza disaster***

# Response: Timeline of events after the collapse



Counselling provided to Rana Plaza victims by BRAC – Benetton in 12 batches

Source: Discussions with Benetton / BRAC representatives

**July, 2013**  
Signing of The Alliance

**September 2013**  
Formation of the *Rana Plaza Coordination Committee* and the Rana Plaza Claims Administration (RPCA) office

Source: ILO, 2015

Signing of The Accord

Source: Bangladesh Accord, 2015 & Bangladesh Worker Safety, (2015)

RPCA claim processing begins

Source: ILO, 2015

**24 April 2013**

**RANA PLAZA COLLAPSES**

Victims

Injured : 2,378  
Deceased: 875  
Unidentified: 100  
Missing: 159  
**Total: 3,512**

Source: ILO, CPD & RPCC



May 2013

**23 May 2013**

The Prime Minister's Office - Government of Bangladesh, invites BRAC to participate in a meeting organised for the rehabilitation of the victims - asked to provide prosthetic limbs to victims who lost their upper limbs

Source: Discussions with Benetton / BRAC representatives

**Benetton decides to support BRAC with USD 0.5 million for victims of the Rana Plaza tragedy**



July & Sept 2013

**January 2014**

**Rana Plaza Donors Trust Fund of USD 30 million** established by the ILO

Source: ILO, 2015



March 2014

**BRAC-Benetton:** Trainings conducted for 350 livelihood support beneficiaries - on setting up grocery stores, tailoring and agriculture. 280 of the 350 identified and trained beneficiaries received livelihood support.

Amount of BDT 23,400 received by each victim for livelihood support, sufficient to purchase initial raw materials for their business.

Source: Discussions with Benetton / BRAC representatives

**September 2014**

June-December 2014

## ***Responses: Industry forums***

### **Response to improve workers' rights**

The international debates sparked by the collapse of Rana Plaza led to a number of initiatives by various stakeholder such as the Accord on Fire and Building Safety in Bangladesh (Accord) and the Alliance for Bangladesh Worker Safety (Alliance). At a local level, Bangladesh has also attempted to address workers' safety and labour rights issues by developing the National Tripartite Plan of Action on Fire Safety and Structural Integrity (NTAP), amending rules to register trade unions and increasing minimum wages.

### **Safety standards**

**The Accord** was signed in May 2013, in the immediate aftermath of the Rana Plaza building collapse . This is an independent legally binding agreement between brands and trade unions. It is designed to work towards ensuring safe and health in the Bangladeshi Readymade Garment Industry<sup>19</sup>. It was formally signed between European brands and retailers, the global unions and Bangladeshi unions on 23 May 2013, with a number of NGOs as witnesses.

**The Alliance**<sup>20</sup> was signed in July 2013, and is a 5-year legally binding initiative undertaken by a group of 26 North American apparel companies, retailers and brands with an intention to improve workplace safety in Bangladeshi RMG factories. Similar to the Accord, an important component of the Alliance is the public release of inspection reports of over 650 supplier premises (representing 1.2 million workers).

Within Bangladesh, the **National Tripartite Plan of Action** on Fire Safety and Structural Integrity (NTAP) was signed in July 2013, which has set out a series of legislative, administrative and practical measures to provide a comprehensive approach to promote fire safety and building integrity. One of the first actions undertaken by NTAP has been to establish a system to conduct preliminary assessments of the structural safety of factory buildings. BUET, aided by the ILO<sup>21</sup>, has been given the task to undertake these assessments by the end of 2014. The assessments cover between 1,500 to 2,000 factory inspections which are not covered by the Alliance or the Accord.

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<sup>19</sup> *Bangladesh Accord (2015)*

<sup>20</sup> *Bangladesh Worker Safety (2015)*

<sup>21</sup> *ILO (2013)*

## ***Wage and claim compensation***

### **Labour rights and wage revision**

After the Rana Plaza disaster, the Bangladesh Government amended the Labour Act to facilitate the registration of unions in July 2013. Following the amendments, lists of workers who wish to form a union are no longer required to be submitted to the management for examination. During the period July to December 2013, 96 new unions were registered in the RMG sector alone, bringing the total number of trade unions in the sector to 222, with 34 trade union federations<sup>22</sup>.

An important issue that was highlighted following the tragedy was fair workers' wages. According to the last revision of the minimum wages on 01 December 2013, the minimum wages of grade 7 workers was increased by 76% from Tk. 3,000 per month to Tk. 5,300 per month<sup>23</sup>. The **Annexure 6** compares revisions in the minimum wage structures for all grades between 2010 and 2013.

### **Compensation to victims**

In September 2013, the Rana Plaza Coordination Committee (“Committee”) was formed as a multi-stakeholder body consisting of representatives of the Government, the local industry, global brands and retailers, Bangladeshi and international trade unions and NGOs. The ILO acts as a neutral chair. The Committee focussed on developing a fair and systematic plan to provide compensation and health protection to the victims and their dependents in line with the ILO Employment Injury Benefits Convention, 1964 (No. 121), Bangladeshi laws as well as with international best practices. The procedures for the same were agreed on in late 2013 and established through an agreement known as ‘the Arrangement’<sup>24</sup>.

The Arrangement has established a claims process, which is being implemented by an administrator (GIZ) and a Rana Plaza Coordination Cell (RPCC) that assisted in the collation of data. The Arrangement supports victims, their families and their dependents to submit claims, assess the level of payments to be provided to each beneficiary, undertake medical assessments and provide follow-up support where needed.

Each claim was independently assessed and calculated, based on a formula developed by actuarial experts engaged by the ILO, in line with standards embedded in the ILO Convention No. 121. The assessment considered the financial and medical needs, both of which were covered in the final award.

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<sup>22</sup> ILO (2014)

<sup>23</sup> CPD (2014)

<sup>24</sup> Rana Plaza Arrangement (2015)

## ***Wage and claim compensation (cont'd)***

The next step was collecting funds to facilitate adequate compensation to victims and their families. The Rana Plaza Donors Trust Fund (the Fund) was established in January 2014 by the ILO, to solicit contributions from any organisation, company or individual wishing to support the delivery of financial and medical support to the Rana Plaza victims. The total cost of compensation was estimated at USD 30 million<sup>25</sup>. A number of global buyers and the Bangladesh government have contributed around USD 21 million to the donors' fund<sup>26</sup>. The breakup of the donations mobilised so far is not available in the public domain.

So far, the injured workers and dependants of the deceased workers have received financial aid through the Prime Minister Relief and Welfare Fund ("the PM Fund") that amounts to USD 2.5 million. Primark has also paid short-term financial assistance equivalent to nine months wages to approximately 3,600 workers at Rana Plaza<sup>27</sup>.

The Committee subsequently decided that an advance payment of BDT 50,000 would be paid by 24 April 2014, to all workers and employees present in Rana Plaza on the day of the disaster. From 24 April 2013 - 24 January 2014 (over a period of 9 months), injured workers and dependants of deceased and missing workers received monthly payments of BDT 5,000 totalling BDT 45,000<sup>28</sup>.

A timeline of major milestones is presented in **Annexure 9**.

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<sup>25</sup> ILO (2015)

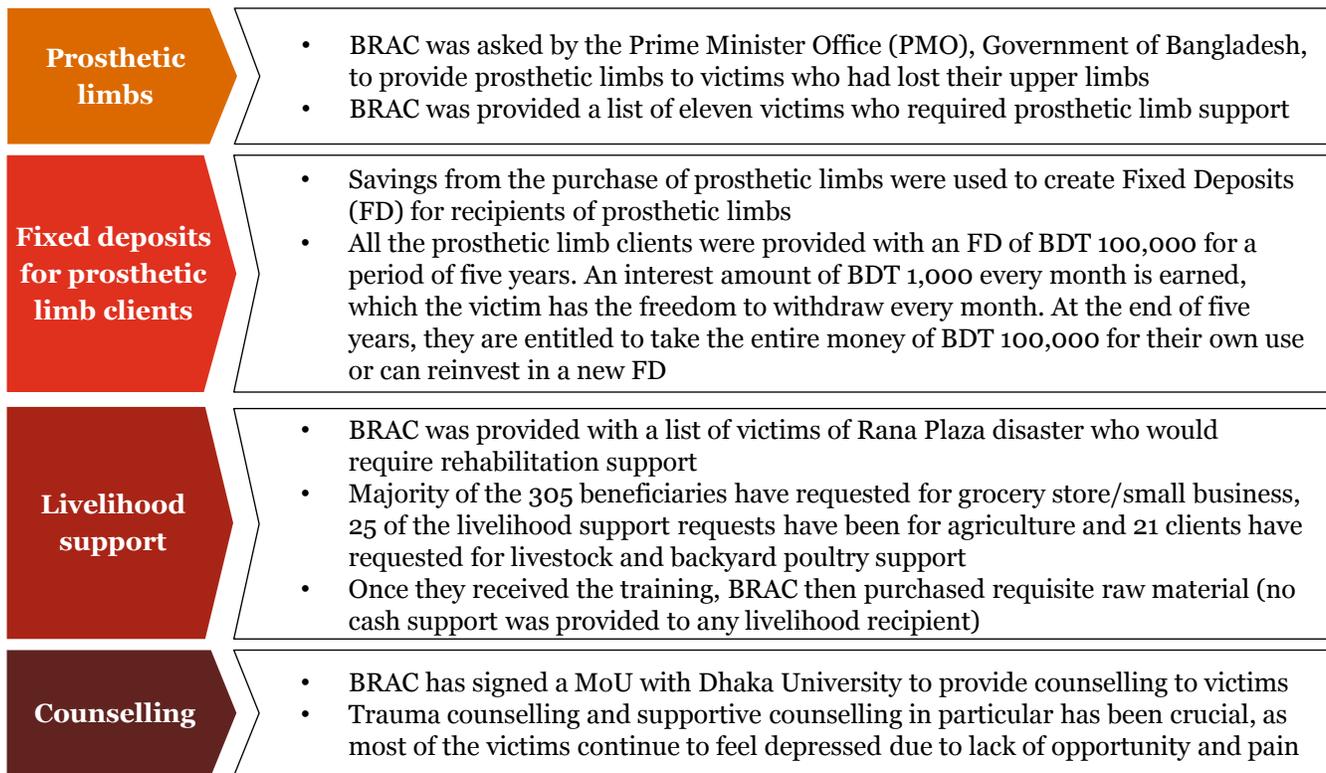
<sup>26</sup> **Annexures 3.1 & 3.2** list the brands that have and have not contributed to the Fund

<sup>27</sup> Primark, 2014

<sup>28</sup> ILO (2015)

## ***Benetton’s initiatives with respect to Rana Plaza***

The victims of the Rana Plaza building collapse generally belonged to economically weaker sections of the community. After the disaster, the Benetton Group extended support and helped towards the rehabilitation of these victims through BRAC, the largest NGO in Bangladesh. As per the agreement between BRAC and Benetton, Benetton has committed a support of USD 0.5 million for the victims, to provide an integrated package of support to the Rana Plaza victims and their families in order to rehabilitate them<sup>29</sup>. The following diagram summarises the support that Benetton has contributed to:



Of the USD 500,000 committed for rehabilitation of victims, Benetton has disbursed the entire amount by January 2015 (as per confirmation obtained from Benetton).

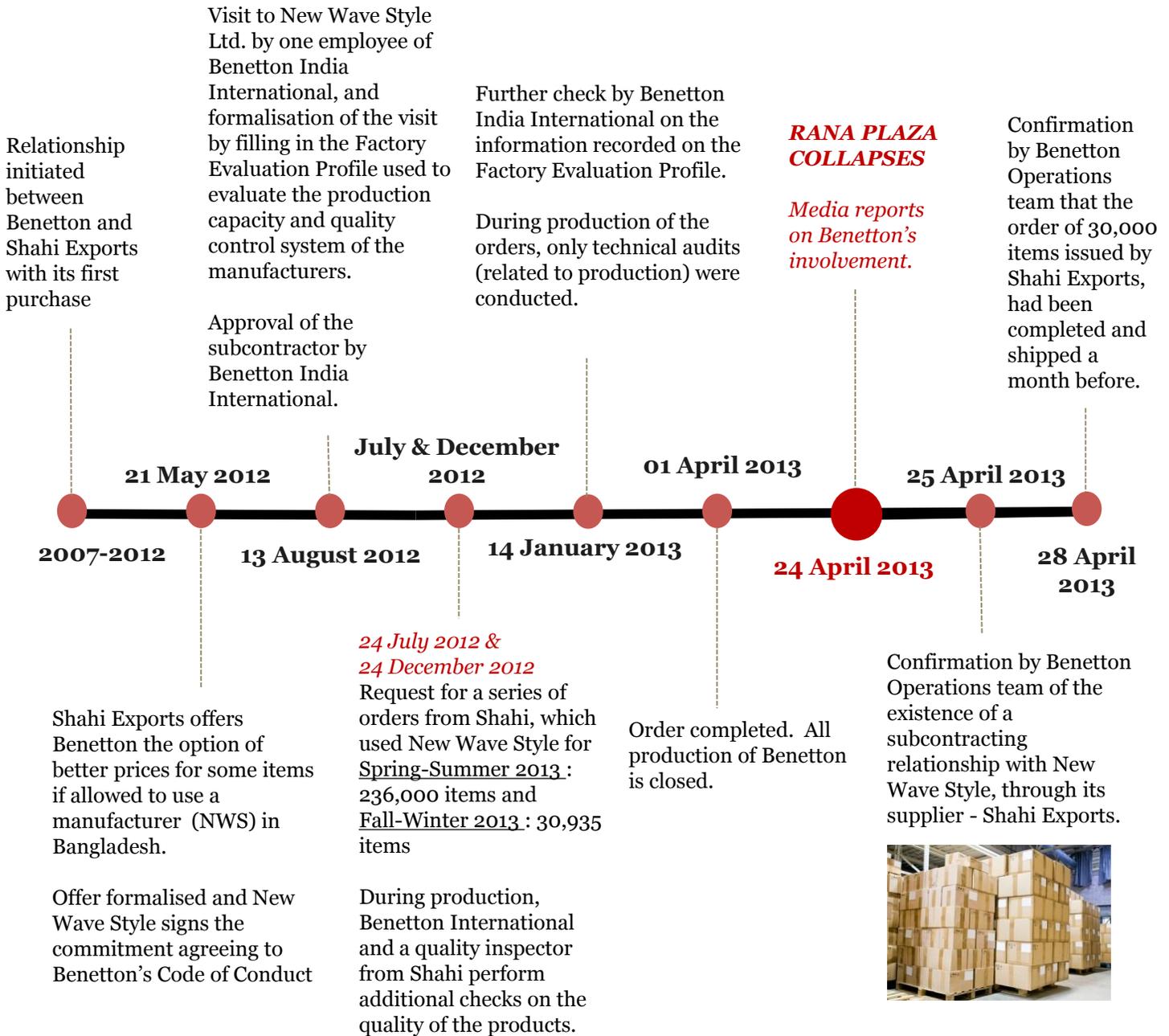
<sup>29</sup> Discussions held with Benetton and BRAC representatives

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# Section 5

## ***Benetton's RMG sourcing***

# Timelines for Benetton’s sourcing from Rana Plaza<sup>30</sup>

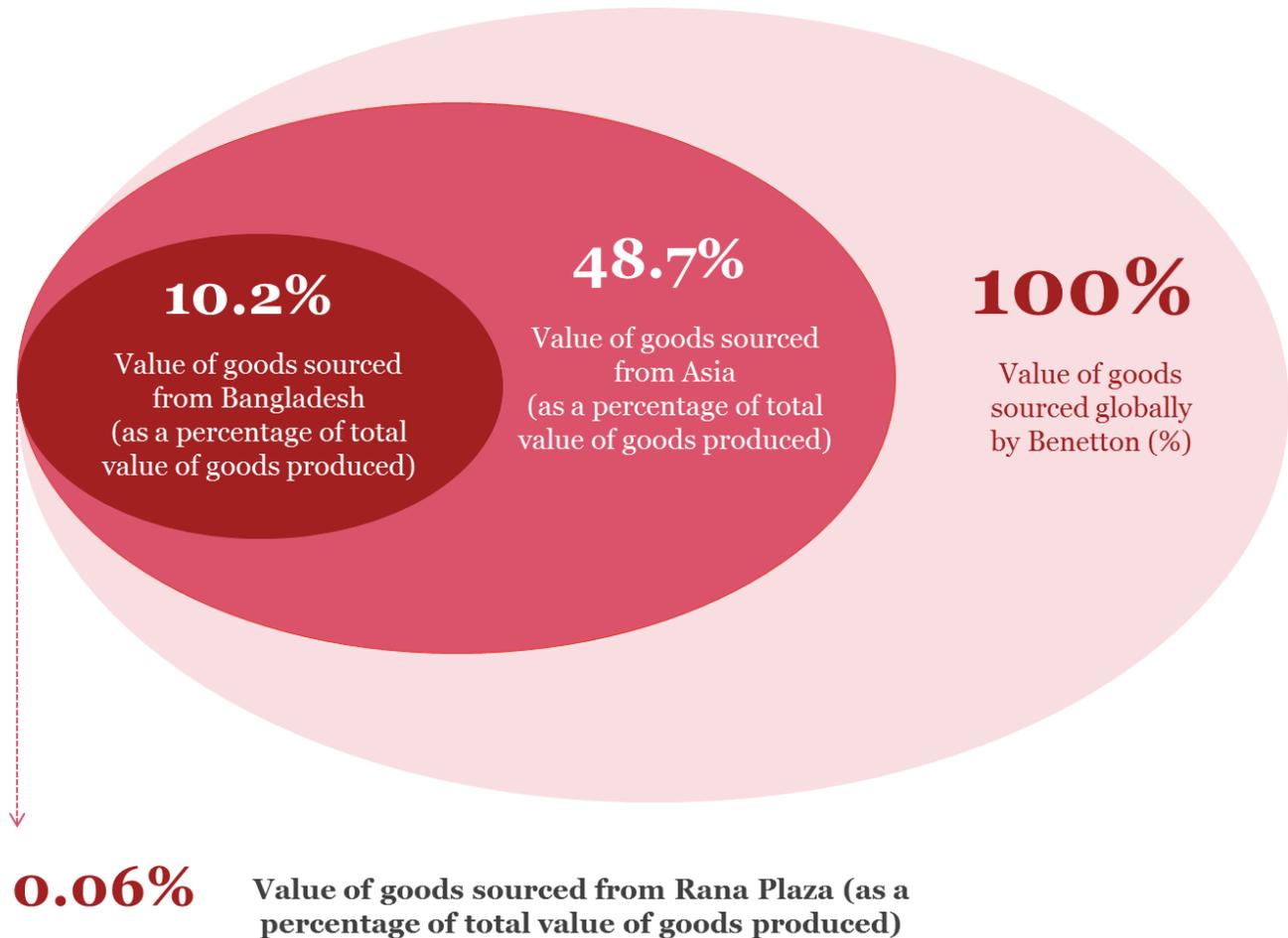


<sup>30</sup> sourced from Benetton documents

## ***Benetton's RMG sourcing in Bangladesh***

Benind S.P.A, a Benetton Group Co. (hereinafter referred to as “Benetton”) sourced 48.7% of all its products from Asia in 2013 (in terms of total value of goods produced). In 2013, 10.2% of the total value of Benetton’s products was derived from products produced in and sourced from Bangladesh<sup>31</sup>.

0.06% of total value of Benetton’s sourcing (by value) was from products sourced from Shahi Exports Private Limited (hereinafter referred to as “Shahi Exports” or as “Shahi”) which were subcontracted by Shahi Exports to New Wave Style Ltd (hereinafter referred to as “NWS”). NWS was one of the five garment factories housed in Rana Plaza, at the time of the Rana Plaza building collapse.



Benetton has an office in Dhaka, Bangladesh, which deals with all RMG sourcing from the country. This office reports to the Benetton subsidiary called “Benetton Asia Pacific”, based in Hong Kong. All orders for Bangladesh are primarily issued by this subsidiary <sup>32</sup>.

<sup>31</sup> & <sup>32</sup> Benetton Group’s official communication dated 09 March 2015

## ***Relationship between Benetton, Shahi Exports and NWS***

Benetton has been sourcing garments from the Indian supplier - Shahi Exports since 2007. Shahi had further outsourced a part of the production to a supplier in Bangladesh - New Wave Style Ltd (hereinafter referred to as “NWS”) in Dhaka, Bangladesh for production of Benetton’s Spring Summer 2013 and Fall Winter 2013 Collection.

We were informed by Shahi Exports that a written contract was not signed between the two parties. All orders placed on NWS were based on a “verbal arrangement” between Shahi Exports Pvt Ltd and New Wave Style Ltd during the entire length of their engagement. These orders were further backed by formal purchase orders from Shahi. NWS, as a sub-contractor of Shahi Exports, was approved by Benetton and the Benetton “Code of Conduct” was signed by the Director of NWS, Mr. Delwar Ahmed.

**Refer Appendix 1 for a copy of the authorisation letter for NWS**

### **Factory evaluation of NWS by Benetton**

A factory evaluation of NWS was undertaken by Benetton on 13 August 2012<sup>33</sup>. Under the same, the New Wave Style factory was evaluated on production & quality aspects, against Benetton International’s standards and its factory evaluation profile was prepared prior to the commencement of procurement. Subsequently, NWS signed Benetton’s Code of Conduct<sup>34</sup>.

As per this evaluation, **the production capacity of NWS was 90,000 pcs/month, total in-house employees at NWS at the time were 550, product types being made included shirts (50,000 pcs), skirts (20,000 pcs) and dresses (20,000 pcs);** and customers of the factory included TCP, Primark and Loblaws.



Photos of the  
NWS facility

*Source:  
Benetton*



<sup>33</sup> Benetton Group’s official communication dated 09 Mar 2015; “Document: Factory Evaluation Profile - BIL (Shahi Exports)”

<sup>34</sup> Benetton Group’s official communication dated 09 Mar 2015; “Document: Code of Conduct for Manufacturers”

## Factory evaluation of NWS

### The comments given by the evaluation team are provided below:

*“This unit is very tidy and clean very well organized factory with very good operation set-up in place. Each floor has same lay-out , cutting-stitching till packing and final inspection cabin. Goods are moved from floor only for final shipment in boxes. A lot of attention is given to improving output and quality by implementing better procedure-operation or advanced high technology machinery in line. Final product quality is very good. I would suggest this unit for Adult-Kid Shirts and Bottom.”*

The overall rating given to the factory was 7 out of 10, and a total score of **66 out of 100** on parameters like pre-production control (19/28), production control (25/36) and quality assurance policies and procedures (22/36). Benetton certified that *“the factory meets most/all Benetton standard requirements and is allowed to proceed with producing Benetton goods until the same standard level is kept.”* No further audits were conducted with the exception of technical and production audits. It is to be noted that no audits pertaining to fire and building safety were conducted by Benetton / Shahi Exports at any given point of time.

**Refer Appendix 2 for a copy of the factory evaluation report for NWS.**

## Export value and production

According to Benetton, NWS was approved as a sub-contractor by Benetton India International on 13 August 2012. Between 24 July 2012 and 24 December 2012, a series of orders were placed by Shahi Exports to NWS, for the production of 260,000 pieces for Spring-Summer collection 2013 and 30,935 pieces for Fall-Winter collection 2013.

As per the data provided to us by Benetton, total volume sourced from NWS was 112,859 pieces in 2012 and 153,995 pieces in 2013.

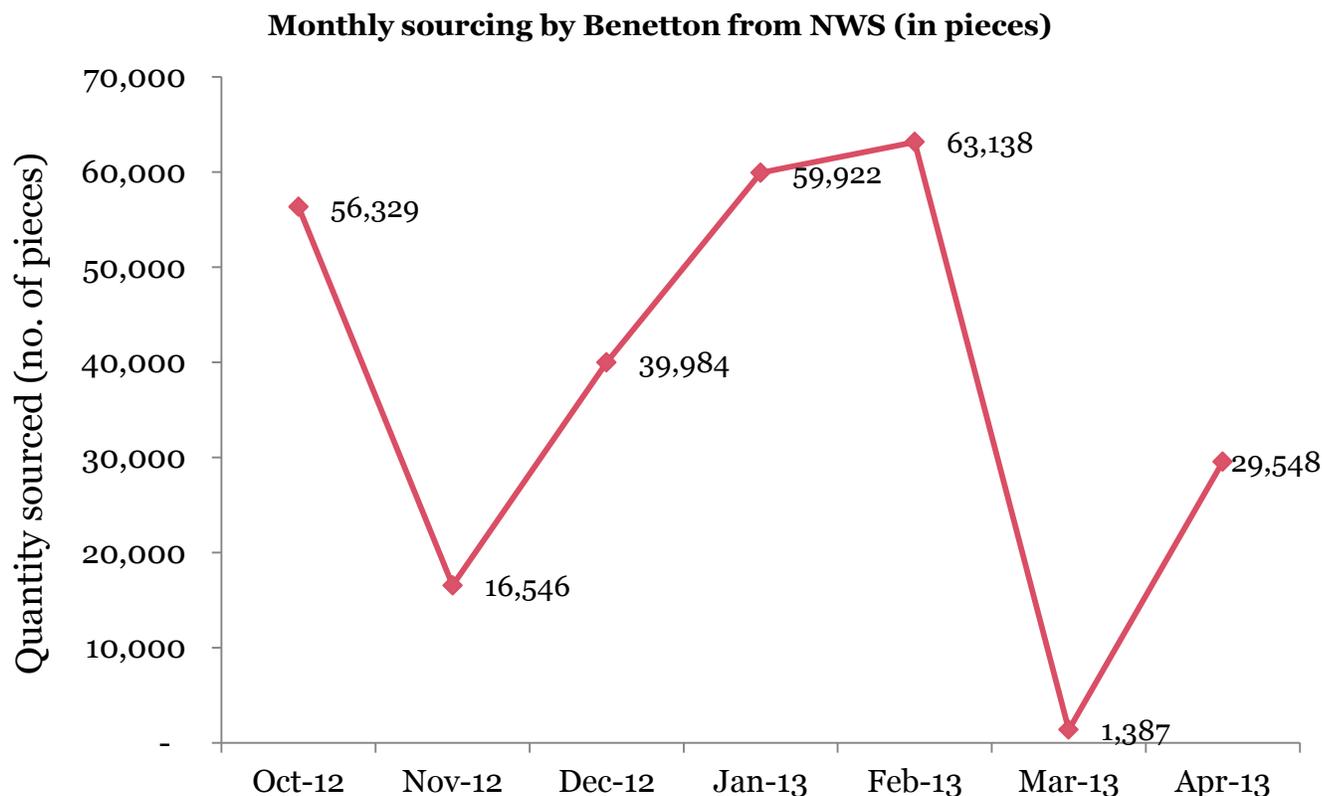
**Table 1: Volume of products sourced by Benetton**

Supplier	2012	2013
<b>New Wave Style</b>	Volumes produced for Benetton (no. of pieces)	Volumes produced for Benetton (no. of pieces)
<b>Total</b>	<b>112,859</b>	<b>153,995</b>

*Note : Data provided by Benetton on quantities sourced from NWS has been verified from the invoices of NWS addressed to Shahi Exports*

## Trend analysis

When the sourcing from Rana Plaza was analysed monthly, **maximum sourcing was observed during Jan-Feb 2013**, as illustrated below:



The first invoice for Benetton's production was raised by NWS on 09 October 2012 and the last invoice was raised on 03 April 2013. Shipment of the last order from NWS to Benetton took place on 13 April 2013, 11 days before the Rana Plaza collapse. We have been informed by the Director of Shahi Exports, that the shipments and invoice copies were sent by NWS to Benetton directly.

**Table 2: Details of the first and last invoice**

	Date	Quantity of shirts (nos.)	Value (USD)
First invoice	09 October 2012	14,236	30,863.65
Last invoice	03 April 2013	5,403	13,788.46

Note: Refer **Annexure 6** and Appendices 3 & 4 for details of invoices raised by NWS on Benetton (during the period Oct 2012 to April 2013)

## ***Contract termination***

**In a press note released on 29 April 2013, Benetton specified that the subcontracting relationship with NWS had already stopped at the end of March 2013** and NWS was also removed from the list of suppliers that the company could use. In another **statement dated 30 April 2013, Benetton reiterated the above stance and stated that prior to the accident, NWS had already been permanently removed from the list of potential direct or indirect suppliers.** Benetton also informed that NWS no longer met the stringent standards that would have made it eligible to work for Benetton.

However, we were not provided with any **evidence to suggest that the “verbal arrangement” between Shahi Exports and NWS was terminated at any point of time before the Rana Plaza disaster.** We were also informed by Shahi Exports that after the **last shipment from NWS on 13 April 2013** (invoice dated 03 April 2013), no subsequent orders were placed because of quality issues noted in the last shipment.

Refer to **Annexure 8** for details of press notes released by Benetton, and **Appendices 3 and 4** for the copies of first and last invoices raised by NWS.

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## Section 6

# ***Methodology to compute Benetton's F&E contribution***

## ***Methodology to compute Benetton’s contribution to the trust fund***

Benetton's contribution is based on its commercial association - based on Benetton’s share in estimated production volumes at Rana Plaza

### **Principles:**

The approach in estimating the computation is based on the following principles:

- Benetton was one of the 29 brands sourcing products from Rana Plaza
- Benetton was engaged in sourcing products from NWS in time periods immediately preceding the collapse of the building (August 2012 to April 2013). Therefore, Benetton has a responsibility to make a contribution towards compensating victims of the tragedy.
- The USD 30 million fund determined by ILO is the target compensation amount towards which Benetton should make its contribution
- Since the quantification of the compensation amount has already been done by the ILO, the contribution attributable to Benetton should be computed in a manner that best reflects Benetton’s commercial association with the overall sourcing/ production capacity of Rana Plaza.

### **Methodology:**

Keeping in view the principles above, Benetton’s contribution has been computed as follows:

$$\frac{\text{(A) Benetton’s sourcing from Rana Plaza (in pcs)}}{\text{(B) Estimated production of Rana Plaza (in pcs)}} \times \text{(C) Rana Plaza Trust Fund amount}$$

The methodology used in determining these amounts is explained in the next page.

## *Methodology (cont’d)*

### **A. Benetton’s sourcing from Rana Plaza:**

- Benetton sourced a total of 266,854 pieces of shirts from NWS between the period of October 2012 to March 2013 (6 months)
- Apart from this, we are not aware of any other sourcing done by Benetton from Rana Plaza
- The details of the aforementioned sourcing are set out in **Annexure 7**. Please note that these details have been cross verified from the information summary provided by Benetton and invoices of NWS on Shahi Exports.

### **B. Estimated production of Rana Plaza:**

The computation for estimated production volumes of Rana Plaza is based on the following assumptions:

#### **1. Total number of workers**

The total number of workers assumed as contributing to Rana Plaza production is considered as 3,512. This number is determined as follows:

- PwC approached the ILO and the Rana Plaza Coordination Cell (RPCC), a body under the Ministry of Labour and Employment in Bangladesh, to collect information on claims filed with them.
- RPCC is the agency that assisted ILO in the collection of data with respect to the deceased and injured victims. The data collected from RPCC & ILO indicates a total of 3,512 workers to be spread across the five factories operating from the Rana Plaza premises<sup>35</sup>.
- Consequently, the total production that could be achieved by these workers (who were directly impacted) would be considered for the purpose of computation.

#### **2. Apportionment of workers between operators and non-operators**

- This apportionment has been made on the basis of general industry standards<sup>36</sup>.
- This apportionment takes into consideration that the production capacity is estimated based on number of operators with other staff engaged in ancillary/supervisory activities.

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<sup>35</sup> Please note that post collation of both the ILO as well as the RPCC data, 100 of these 3,512 workers still remained unallocated to any of the 5 factories. Hence, these 100 nos. have not been considered by us in our calculations for Benetton’s share of the compensation.

<sup>36</sup> ‘Present status of Garment workers in Bangladesh: An Analysis’, 2012: Md Zafar Alam Bhuiyan, Lecturer of Fashion Design & Assistant Proctor, Shanto-Mariam University of Creative Technology, Dhaka, Bangladesh

## *Methodology (cont’d)*

### 3. Average number of working hours in a day

- The number of productive working hours in one day is assumed to be 9. This has also been validated in worker interviews done independently by us.
- Please note that we have excluded shift working / overtime for the purpose of this calculation, as this represents a conservative approach in computing the estimated production.

### 4. Number of working days in a year

- The number of working days in a year has been derived as follows :

Calendar Year	365 days	
<b>Less: weekly days off</b>	52	Friday is assumed to be a weekly day-off
<b>Less: holidays (local festivals etc.)</b>	30	Primarily for religious holidays (Ramadan, etc.)
<b>Less: other days off (holidays etc.)</b>	20	10 days of casual leave and 10 days of other holidays
<b>Total working days (annualised)</b>	<b>263</b>	

### 5. Annual production capacity

- We understand that the factories in Rana Plaza were engaged in the production of different types of garments, such as shirts, shorts/bottoms, lowers, ladies dresses, sportswear, etc.
- **Benetton, however, sourced only shirts from Rana Plaza.** Therefore, for the purposes of computing Benetton’s commercial association, the likely production capacity has been estimated to be a single, comparable production unit i.e. shirts.

## *Methodology (cont’d)*

- Time taken to produce one shirt has been estimated to be 30 minutes. This is based on interviews with workers, discussions with suppliers and Benetton representatives, etc.
- Based on the above, the annual production capacity of Rana Plaza is computed below:

**Compensation model based on productivity assumptions and Benetton's share of volume sourced from NWS**

S. No.	Particulars	Calculation	New Wave Style Ltd	New Wave Bottoms Ltd	Phantom Apparels Ltd	Phantom Tac Ltd	Ether Tex Ltd	Total
1	Total number of workers with the supplier	A	1,291	650	623	370	478	<b>3,412</b>
2	Proportion of operators	B	90%	90%	90%	90%	90%	
3	Proportion of supervisors and other support staff	C	10%	10%	10%	10%	10%	
4	Number of operators	D = A*B	1,162	585	561	333	430	<b>3,071</b>
5	Average working hours per day	E	9	9	9	9	9	
6	Number of working days per month	F	26	26	26	26	26	
7	Number of working days in a year	G	263	263	263	263	263	
8	Time taken to produce one shirt (in hrs)	H	0.5	0.5	0.5	0.5	0.5	
9	Daily productivity of a worker	I = E/H	18	18	18	18	18	
10	Annual productivity of a worker	J = G*I	4,734	4,734	4,734	4,734	4,734	<b>23,670</b>
11	Annual productivity of the supplier	K = D*J	5,500,908	2,769,390	2,655,774	1,576,422	2,035,620	14,538,114

### **C. Rana Plaza Trust Fund:**

The total amount determined by ILO for the fund is USD 30 million. We have considered this number for appropriate apportionment to Benetton, without any further adjustments or variations.

## Methodology (cont’d)

### Benetton’s share in the overall production at Rana Plaza

The following table depicts Rana Plaza’s total production volumes (in terms of shirts) for a period of 12 months and 24 months:

Compensation model based on productivity assumptions and Benetton's share of volume sourced from NWS							
Particulars	Calculation	New Wave Style Ltd	New Wave Bottoms Ltd	Phantom Apparels Ltd	Phantom Tac Ltd	Ether Tex Ltd	Total
Annual productivity of the supplier	$K = D \times J$	5,500,908	2,769,390	2,655,774	1,576,422	2,035,620	14,538,114
Two yearly productivity of the supplier	$K' = K \times 2$	11,001,816	5,538,780	5,311,548	3,152,844	4,071,240	29,076,228

### Computation of Benetton’s share in the Rana Plaza Trust Fund

Based on the above analysis, we have computed Benetton's contribution keeping in view the principles of commercial association for time periods based on two criteria: 12 months and 24 months. Given that Benetton’s sourcing from Rana Plaza happened during a limited time, periods lower or higher (than these periods) may not adequately represent a fair commercial association.

The following table summarises Benetton’s contribution considering the two time-periods in view:

Sl. No.	Criteria	Rana Plaza production capacity (in pcs)	Benetton’s sourcing (in pcs.)	Benetton share (in %)	Benetton’s contribution (in USD MM)
1	Sourcing over 12 months	14,538,114	266,854	1.84 %	0.55
2	Sourcing over 24 months	29,076,228	266,854	0.92%	0.28

Whilst the computation using the compensation framework results in a maximum compensation amount of USD 550,000; that given, Benetton may consider making a higher contribution to demonstrate the importance of social commitment.

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# Section 7

## ***Selected case studies***

In this section, we have set out a selection of caselets based on interviews conducted with workers impacted by the tragedy. These stories provide a first hand account and testimonies related to events - before and after the disaster, including the information on rehabilitation measures, if any.

## **Caselet 1**

### ***Ruzeena Begum (Partially disabled)***

Ruzeena is a 24 year old woman who lives with her husband and two daughters in Savar. Her husband stitches rice bags, and earns between BDT 4,000 to 5,000 a month.

In order to support her husband financially, Ruzeena had decided to take a job of a sewing operator at Rana Plaza's New Wave Style Ltd in 2013. She used to earn upto BDT 10,000 per month (with overtime). Ruzeena used to work for 14 hours a day stitching shirts and skirts. She would then come back home to look after her daughter and take care of other household work.

When Rana Plaza collapsed, Ruzeena was trapped under multiple layers of debris alongwith other workers. Although she was alive, her left arm was crushed under a pillar. Thus, she was unable to free herself and crawl out of the debris. She remained trapped for three days. It was her sheer determination and the overpowering will to survive that forced her to cut her own arm off, using a saw that was provided to her by a doctor. The agony and shock of this act of cutting off her own arm made her unconscious. She was pulled out of the debris by rescuers. Her husband came to know about what had happened as someone found her mobile phone in the debris and called him directly to the hospital.

Ruzeena spent the next 4 months recovering from her agony. She received an initial compensation of BDT 90,000 and an additional monthly amount of BDT 10,000 through a government scheme.

Due to her current disability, Ruzeena has not been able to find an alternative source of income. She now stays at home looking after her second child who was born only a year ago. Her husband continues to work stitching rice bags. There is an immense financial strain on the family, with Ruzeena's medical expenses amounting to over BDT 7,000 per month. She and her husband are therefore entirely dependent upon the compensation that they receive and are worried about the future of their family. Memories of the tragedy still continue to haunt Ruzeena. To add to her trauma, she also lost her sister in the building collapse.

## ***Caselet 2***

### ***Litun Miyah (Partially disabled)***

Litun is a 30 year old man, who lives in Savar with his wife, mother, and two young children.

He started working at Rana Plaza in the year 2010. Working as a Line Supervisor, Litun was earning BDT 10,000 per month. His job was to supervise the operators and to ensure that the machines were running properly. He was employed with Phantom Apparels Ltd, which manufactured pants, shirts and skirts. Litun often worked for over 12 hours a day without any overtime.

On the morning of 24 April 2013, Litun and his colleagues were forced to enter the Rana Plaza building and resume work, despite warnings from engineers the previous day. When the building collapsed, he was trapped in the debris for 14 hours and eventually lost consciousness. When he gained consciousness, he realised that he had severe injuries on his chest and legs and was not able to hear anything due to a probable damage to his ear drums. He was jobless for almost one and a half years post the disaster and had to struggle to meet his family expenses as he was the sole earning member of the family. Litun's leg still continues to give him trouble, and he needs regular medication and physical therapy.

Litun received a sum of BDT 45,000 in cash through CCDB. The NGO also supported him to set up a shop and provided him with one-time start-up support. He pays a monthly rent of BDT 1,800 for the shop. A grant of BDT 95,000 was also paid to him as a further support.

He now runs his shop on his own, selling lights for occasions such as weddings and festivals. His monthly income ranges between BDT 10,000 to 15,000 (depending on the season), and helps him support his family. Litun and his wife had their second child a year ago, and he is now optimistic of his financial security. He is now more confident of being able to raise his children and take care of his family.

## ***Caselet 3***

### ***Murzeena Begum (Deceased)***

Murzeena Begum was the sister of Ruzeena Begam, a survivor and worker at Rana Plaza’s New Wave Bottoms Ltd. Both sisters worked as Sewing Operators. Murzeena, however could not escape and was killed when the building collapsed.

Murzeena was 18 years old at the time of the accident and was one of three siblings. Her elder sister, Ruzeena had been married for 10 years and lived in an adjoining house with her husband. Murzeena and her younger brother lived with their parents. She and her mother were the two bread earners for the family with an earning of BDT 9,500 to 10,000 per month (including overtime), and helped take care of the family’s expenses.

On the morning of 24 April 2013, Murzeena left her home in Savar to go to work at Rana Plaza, never to return back. Her body was not recovered from the debris initially and her family spent days searching for her in vain. Finally, some of her remains were retrieved, and the DNA match with her family confirmed her death.

Murzeena’s family received a compensation of BDT 95,000 when her death was confirmed. The family further received a compensation of BDT 100,000 from the Government.

Her mother is now the sole earning member of the family, working as a domestic help with an income of BDT 2,000 to 3,000 a month. Although they have submitted their claim to the Rana Plaza Claims office, they have not yet received any information on the matter. The family struggles to make ends meet, especially for the tuition fees that needs to be paid for the education of Murzeena’s younger brother.

## ***Caselet 4***

### ***Rina Begum (Deceased)***

Rina Begum lived with her husband and two daughters in Savar. She worked with New Wave Bottoms Ltd on the third floor at Rana Plaza as a helper. Her job included stitching pockets and buttons. Her husband worked in a grocery shop in Savar, while the two daughters went to school.

24 April 2013 was a tragic day that changed the life of her entire family. Rina died in the tragedy and the children were orphaned as the relationship with their father also began to deteriorate during this time. To make matters worse, her husband then eloped with another woman after receiving the compensation, leaving the two girls alone.

Post the retrieval of Rina's body, the entire compensation of BDT 95,000 for a donor, BDT 24,000 from the Social Welfare department and BDT 200,000 from the Prime Minister's Fund was usurped by her husband. Although this money was meant for the entire family including her two girls, the girls didn't receive anything of this amount.

Rina's daughters now live on their own in Savar and struggle to make it through each day. The elder daughter is 16 years old and was forced to drop out of school and get married. The elder sister's husband runs his own shop in Savar and the income of BDT 7,000 to 8,000 that he earns helps him to support his wife and his sister-in-law. Rina's younger daughter continues to go to school and hopes that her education will allow her to earn enough money one day. Life has become a struggle for the girls, but they continue to look ahead with hope.

## ***Caselet 5***

### ***Farmina Akhtar (Deceased)***

Farmina was a 30 year old woman, who worked as an operator at Phantom Apparels Ltd, on the fourth floor of Rana Plaza. She was married and lived with her husband and son in Savar. Farmina worked hard to take the financial strain off her husband and to help raise their son with comfort. Earning BDT 6,000 a month, Farmina often worked overtime, as that allowed her to earn higher (BDT 8,500) than the monthly wages. Her husband was then working in the construction industry earning a minimal salary.

When the Rana Plaza building collapsed, Farmina was one of the unfortunate few who could not escape. Her body was retrieved from the debris and was returned to her family. As a compensation for their loss, Farima's husband and son received BDT 200,000 from the Upazila and BDT 95,000 in cash from a donor. Furthermore, a bank account was opened for them at the Dutch Bangla Bank and BDT 1,60,000 were deposited into it. Her husband has not submitted any claim to the Rana Plaza Claims Office.

Farmina's husband has now left his job in the construction industry and runs his own grocery shop in Savar. The shop helps him earn BDT 10,000 to 15,000 a month. He now spends most of his time on his 11 year old son, who is a student at a nearby school. Although Farmina's family has received some compensation for their financial loss, the disaster has left a permanent mark on their lives. Her son will now have to grow up without a mother and her husband worries about his future.

## **Caselet 6**

### ***Nurul Islam Khan (Partially disabled)***

Nurul is a 37 year old man, who lives in Savar with his wife and four daughters. He worked in Rana Plaza at New Wave Bottoms Ltd, cutting shirts, pants and coats.

He started working in 2012, in order to support his wife and children. With the birth of his fourth daughter, there was a tremendous financial strain on the family and an urgent requirement for more money to meet the day-to-day expenses. Nurul earned a monthly income of about BDT 9,500 working overtime as often as he could. He worked long hours often exceeding 12 hours a day.

On the day of the Rana Plaza tragedy, Nurul sustained severe injuries on his head. He has no recollection of how he got out of the debris and only remembers being in the hospital for the next 3 days. He paid the initial medical expense of BDT 5,000 himself and the rest was covered under a Government scheme. Nurul received BDT 96,000 from a donor as compensation and basic food items like rice and pulses were provided to him by BRAC at a subsidised price. A bank account was also opened for him at the Dutch Bangla Bank but he has not received any money in it yet. He claims that although he is entitled to a larger amount of compensation, the money will never filter down to the poor people who actually need it. He believes that the level of corruption is just too widespread to allow for any sort of justice.

As a result of his head injury, Nurul suffers from major psychological problems. He continues to go to hospital for treatment, although he feels that the same hasn't been of much help. His troubled mental state prevents him from seeking any further employment and his wife has now begun to work in the garment industry as an operator. Nurul now stays home with his daughters. He has a lot of trouble sleeping at night because the trauma of the tragedy still lingers on in his mind.

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# Section 8

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# Section 9

## *Annexures and Appendices*

## ***Annexure 1: Secondary Research***

### **Objective of the Secondary Research**

- To identify the sequence of events leading up to the tragedy, and the efforts undertaken by various stakeholders post the disaster.

### **Process**

- Information was obtained through
  - the Internet / websites of various NGOs and government bodies
  - publicly available documents and reports from different organisations that had previously studied and documented the Rana Plaza disaster

This was done in order to understand each stakeholder’s version, before our interactions.

Post a review of the available documents, we analysed the premise & guidelines of the ILO Convention 121 to develop the ‘compensation framework’.

## ***Annexure 2: Primary Research***

Interactions were held with stakeholders such as government officials, Civil Society, NGOs, the victims of the Rana Plaza disaster and the families of those who died in the disaster.

### **Objectives of the primary research**

**1) meet with industry associations & forums (BMGEA, RPCC), academic & research institutions (Dhaka University, BUET), donors & multilateral agencies (ILO), INGOs (Action Aid) and CSOs/NGOs (Awaj Foundation, CCDB. CRP) that are working to support the victims of Rana Plaza to:**

- document their perception of the incident and the post-incident response
- their understanding of the Fund, and
- feedback on the overall process of compensation

**2) meet with the victims / families to:**

- establish the series of events that took place that day
- collect information on details like their average salary, working hours, compensation received till date and the types of injuries that they sustained, and
- corroboration of the findings/inferences of the secondary review

### **Process**

- 1) Interviews with stakeholders were organised through (a) references provided by WRAP, (b) approaching individual industry/CSO contacts from prior experience, (c) contacts that were provided by Benetton in Bangladesh and (d) contact information obtained through research.
- 2) Interviews were then conducted with the victims /families of the deceased. **A total of 56 such interviews were conducted** between 7-11 March (5 days) which included interviews with **families of 23 deceased workers** and interviews with **33 injured workers**, conducted by teams of 2-3 individuals in nearby communities of Savar. The victims were contacted with the help of the Centre for the Rehabilitation of the Paralysed (CRP) Christian Commission for Development in Bangladesh (CCDB) and Awaj Foundation.

## Annexure 3: Key casualty statistics

Summary of casualty figures (by different sources)							
	BILS	Rana Plaza Arrangement	Clean Clothes Campaign	CPD	Action Aid	RPCC	ILO (with NWB data from RPCC)
Injured	2,438		2,438	2,438	2,438	2,865	2,378
Deceased and Missing	1,134	1,134	1,138	1,134	1,133	1,121	1,134

### Annexure 3.1

Brands that have contributed to the Rana Plaza Trust Fund					
Auchan	C&A Foundation	El Corte Ingles	H&M**	Loblaws	Mascot
Bonmarche	Camaieu	GAP**	Inditex	LPP S.A.	Matalan
via BRAC USA*	Debenhams**	Gueldenpfennig	KiK	Mango	Premier Clothing

Note:

\* BRAC USA includes contributions from Asda, The Children's Place and Walmart

\*\* Brands that have contributed but had no commercial association with Rana Plaza include Debenhams, GAP, H&M

### Annexure 3.2

Brands having commercial association with Rana Plaza but not yet contributed to the Rana Plaza Trust Fund				
Adler Modemärkte	Carrefour	Iconix (Lee Cooper)	LC Waikiki	Texman (PWT)
Ascena Retail	Cato Fashions	J C Penney	Manifattura Corona	Robe di Kappa
Benetton	Store 21 (Grabalok)	KANZ/ Kids Fashion Group	NKD	Yes Zee

## Annexure 4: Stakeholder Mapping

Stakeholder	Type of Stakeholder	Description and role in Rana Plaza Tragedy
<b>International Labour Organisation</b>	UN agency dealing with labour issues, with a focus on poverty alleviation and improving OHS standards	<ul style="list-style-type: none"> <li>ILO is the neutral chair of the Rana Plaza Coordination Committee formed in September 2013. The purpose of the committee was to develop a comprehensive and independent process that would deliver support to the victims, their families and dependents in a manner consistent with international labour standards. This process was agreed in late 2013, and established through an agreement known as “the Rana Plaza Arrangement” (RPA), hereinafter referred as “the Arrangement”.</li> </ul>
<b>Bangladesh Garment Manufacturers &amp; Exporters Association</b>	Trade Association	<ul style="list-style-type: none"> <li>One of the largest trade associations in the country representing the readymade garment (RMG) industry, particularly the woven garments, knitwear and sweater sub-sectors.</li> <li>BGMEA has collated data and detailed information on injured and deceased victims working in the companies at Rana Plaza, and is one of the key stakeholders in the RPA.</li> </ul>
<b>GIZ</b>	Germany development agency	<ul style="list-style-type: none"> <li>GIZ was appointed as the contracting agent for financial and administrative management of the Arrangement.</li> </ul>
<b>Rana Plaza Coordination Cell (RPCC) or the Rana Plaza Claims Administration office</b>	Coordination unit established by Ministry of Labour and Employment	<ul style="list-style-type: none"> <li>“Coordination Unit for Rehabilitation of Rana Plaza Victims” was established by the National Skills Development Council (NSDC) secretariat, under the Ministry of Labour and Employment (MoLE), on the 7th November 2013 at the Centre for Disability in Development (CDD) in Dhaka.</li> <li>Key objectives of this coordination unit was to collect and analyse information from all stakeholders to report on the needs, services provided and current status of all victims. The unit also acts as a point of contact for the Rana Plaza victims to receive information on their rights, and services available to them.</li> </ul>

## ***Stakeholder Mapping (contd)***

<b>Stakeholder</b>	<b>Type of Stakeholder</b>	<b>Description and role in Rana Plaza Tragedy</b>
<b>Bangladesh Institute of Labour Studies</b>	CSO	<ul style="list-style-type: none"> <li>The only labour institute of the country that works towards advancing the causes of working people and trade unions of Bangladesh.</li> <li>BILS published a report in 2014 on facts related to the Rana Plaza disaster, and the support and assistance provided to the victims.</li> </ul>
<b>Bangladesh University of Engineering and Technology</b>	Academic Institution	<ul style="list-style-type: none"> <li>Oldest institution for study of Engineering and Technology in Bangladesh.</li> <li>BUET has developed a report on the structural weakness of the building, permits they should have received, current status of building inspections etc. The Head of Department is a member of the committee that governs the National Tripartite Plan of Action on Fire Safety and Structural Integrity (NTAP).</li> </ul>
<b>Dhaka University</b>	Academic Institution	<ul style="list-style-type: none"> <li>DU was part of the initial committee formed by the High Court directive to decide upon the compensation for the victims. However, their recommendations were put on stay and the RPCC was formed subsequently.</li> </ul>
<b>Centre for the Rehabilitation of the Paralysed</b>	NGO	<ul style="list-style-type: none"> <li>CRP focuses on a holistic approach to rehabilitation, recognising that all aspects of the rehabilitation process are vital for its success: Physical, Psychological and Economic.</li> <li>CRP has worked with the injured victims of the disaster in the various aspects of rehabilitation and facilitated PwC's interviews with the victims of the disaster.</li> </ul>
<b>Awaj Foundation</b>	NGO	<ul style="list-style-type: none"> <li>The Awaj Foundation has helped to settle numerous disputes regarding wages, overtime, etc. in hundreds of factories.</li> <li>It has also facilitated PwC's interviews with the victims of the disaster.</li> </ul>
<b>Christian Commission for Development in Bangladesh</b>	NGO	<ul style="list-style-type: none"> <li>CCDB works on rural development, with ethnic/indigenous communities, women's development programmes, gender awareness programmes etc.</li> <li>CCDB has worked with the victims of the Rana Plaza disaster on the aspects of rehabilitation and restoration of their livelihoods, and facilitated PwC's interviews with the victims of the disaster.</li> </ul>

## ***Annexure 5: Checklist of Questions for interviews***

The table below contains a summary of the information areas that formed the basis for the worker interviews. This questionnaire was independently prepared by PwC.

<b>Questionnaire for victims of the Rana Plaza disaster</b>	
<b>1</b>	Name:
<b>2</b>	Age:
<b>3</b>	Occupation:
<b>4</b>	Supplier worked for at time of disaster:
<b>5</b>	Floor worked on:
<b>6</b>	No. of suppliers on floor:
<b>7</b>	Details of dependents (relationship, age, occupation):
<b>8</b>	Monthly salary (Basic + Overtime):
<b>9</b>	Designation at time of incident:
<b>10</b>	Working hours:
<b>11</b>	Date of last salary:
<b>12</b>	Type of injury:
<b>13</b>	Medical expenses (No. of hospital days, expenditures on treatment (initial and current)):
<b>14</b>	Recognition of buyer / brand (pictures used to identify brand):
<b>15</b>	No. of units produced per day and per month:
<b>16</b>	Current monthly wage:
<b>17</b>	Total current expenses:
<b>18</b>	Amount of compensation received:

## Annexure 6: Minimum Wages for Bangladesh

Minimum Wage Structure (Comparing 2013 structure to 2010)										
Grading (Main Posts)	2010 Minimum Wage Structure				2013 Minimum Wage Structure					
	Basic	House rent (40% of Basic)	Medical Allowan ce	Net Salary	Basic	House rent (40% of Basic)	Medical Allowan ce	Trans port allowa nce	Food allowa nce	Net Salary
Grade 1: Pattern Master, Chief Quality Controller	6,500	2,600	200	9,300	8,500	3,400	250	200	650	13,000
Grade 2: Mechanic, Electrician, Cutting Master	5,000	2,000	200	7,200	7,000	2,800	250	200	650	10,900
Grade 3: Sample Machinist, Senior Machine Operator	2,870	1,148	200	4,218	4,075	1,630	250	200	650	6,805
Grade 4: Sewing Machine Operator, Quality Inspector, Cutter, Packer, Line Leader	2,615	1,046	200	3,861	3,800	1,520	250	200	650	6,420
Grade 5: Junior Machine Operator, Junior Cutter, Junior Marker	2,395	958	200	3,553	3,530	1,402	250	200	650	6,032
Grade 6: Operator of General Sewing/ Button Machine	2,230	892	200	3,322	3,270	1,308	250	200	650	5,678
Grade 7: Assistant Sewing Machine Operator, Assistant Dry washing man, Line Iron Man	2,000	800	200	3,000	3,000	1,200	250	200	650	5,300
Trainee				2,500						4,180

## ***Annexure 7: NWS invoices to Shahi (Benetton)***

<b>Date of invoice raised by NWS</b>	<b>Supplier Invoice#</b>	<b>Shipment#</b>	<b>Volume of products sourced</b>	<b>Value of products sourced</b>	<b>Type of products sourced</b>
09/10/2012	NWSL-231/2012	N000029971	14,236	30863.65	100% Cotton Woven Babies and Girls Shirt
11/10/2012	NWSL-234/2012	N000030303	1731	3752.81	100% Cotton Woven Babies and Girls Shirt
14/10/2012	NWSL-235/2012	N000030442	6071	16549.55	100% Cotton Woven Babies and Girls Shirt
20/10/2012	NWSL-245/2012	N000031206	23869	61107.33	100% Cotton Woven Babies and Girls Shirt
20/10/2012	NWSL-246/2012	N000031414	1495	4075.37	100% Cotton Woven Babies and Girls Shirt
23/10/2012	NWSL-252/2012	N000031549	1301	3546.53	100% Cotton Woven Babies and Girls Shirt
25/10/2012	NWSL-253/2012	N000032205	5997	16347.82	100% Cotton Woven Babies and Girls Shirt
25/10/2012	NWSL-254/2012	N000032541	1629	4440.65	100% Cotton Woven Babies and Girls Shirt
01/11/2012	NWSL-255/2012	N000033063	4466	9862.29	100% Cotton Woven Babies and Girls Shirt
08/11/2012	NWSL-260/2012	N000034860	6007	16375.08	100% Cotton Woven Babies and Girls Shirt
11/11/2012	NWSL-263/2012	N000036417	6073	16555.00	100% Cotton Woven Babies and Girls Shirt
06/12/2012	NWSL-290/2012	N000041934	6324		100% Cotton Woven Babies and Girls Shirt
06/12/2012	NWSL-291/2012	N000042885	1028	2635.79	100% Cotton Woven Babies and Girls Shirt
15/12/2012	NWSL-296/2012	N000043708	890	2346.04	100% Cotton Woven Girls Top
12/12/2012	NWSL-293/2012	N000043730	6768		100% Cotton Woven Babies and Girls Shirt/Top
18/12/2012	NWSL-297/2012	N000044207	368	970.05	100% Cotton Woven Girls Top
20/12/2012	NWSL-300/2012	N000044984	5372		100% Cotton Woven Girls Top
24/12/2012	NWSL-309/2012	N000045791	19234		100% Cotton Woven Girls Top
<b>TOTAL (Oct - Dec 2012)</b>			112,859	189,427.96	

**Annexure 7: (contd)**

Date of invoice raised by NWS	Supplier Invoice#	Shipment#	Volume of products sourced	Value of products sourced	Type of products sourced
09/01/2013	NWSL-11/2013	N000047596	1182		100% Cotton Woven Babies and Boys Shirt
10/01/2013	NWSL-12/2013	N000047719	25240		100% Cotton Woven Babies and Boys Shirt
03/01/2013	NWSL-02/2013	N000047786	5760		100% Cotton Woven Babies and Boys Shirt
03/01/2013	NWSL-01/2013	N000048220	1228	3664.35	100% Cotton Woven Babies and Boys Shirt
29/01/2013	NWSL-25/2013	N000050735	868	2587.51	100% Cotton Woven Women's Shirt
07/02/2013	NWSL-40/2013	N000052598	1228	3667.89	100% Cotton Woven Women's Shirt
07/02/2013	NWSL-41/2013	N000052568	3203	9633.56	100% Cotton Woven Women's Shirt
31/01/2013	NWSL-28/2013	N000051273	3949	13776.66	100% Cotton Woven Women's Shirt, 100% Cotton Woven Woman's Sleeveless Shirt
02/02/2013	NWSL-32/2013	N000051968	3954	16448.64	100% Cotton Woven Women's Shirt
02/02/2013	NWSL-30/2013	N000051545	4653	15603.06	100% Cotton Woven Women's Shirt, 100% Cotton Woven Woman's Sleeveless Shirt
31/01/2013	NWSL-29/2013	N000051850	21695	69336.48	100% Cotton Woven Women's Shirt, 100% Cotton Woven Woman's Sleeveless Shirt
02/02/2013	NWSL-31/2013	N000052011	8181	28081.26	100% Cotton Woven Women's Shirt, 100% Cotton Woven Woman's Sleeveless Shirt
06/02/2013	NWSL-37/2013	N000052299	632	1883.99	100% Cotton Woven Women's Shirt
07/02/2013	NWSL-39/2013	N000052466	10493	31296.48	100% Cotton Woven Women's Shirt
09/02/2013	NWSL-42/2013	N000052763	2150	7271.30	100% Cotton Woven Women's Shirt
11/02/2013	NWSL-48/2013	N000052895	19498	65942.24	100% Cotton Woven Women's Shirt
19/02/2013	NWSL-58/2013	N000053575	9146	50202.39	97% Cotton 3% Spandex Woven Woman's Shirt
02/04/2013	NWSL-103/2013	N000057086	24145		100% Cotton Woven Babies/Girl Shirt
27/03/2013	NWSL-95/2013	N000056378	836		100% Cotton Woven Babies/Girl Shirt
27/03/2013	NWSL-94/2013	N000056561	551	1406.15	100% Cotton Woven Babies/Girl Shirt
03/04/2013	NWSL-104/2013	N000057344	5403		100% Cotton Woven Babies/Girl Shirt
<b>TOTAL (Jan-April 2013)</b>			153,995	320,801.96	

## ***Annexure 8: Benetton’s press release on the disaster***

**Press note by Benetton released on April 29, 2013 stating that subcontracting relationship with NWS had already stopped at the end of March**

### **STATEMENT FROM BENETTON GROUP April 29, 2013**

*Regarding the tragic accident in Dhaka, Bangladesh, we wish to confirm that none of the companies involved is a supplier to any of our brands. Further to this, a one-time order was completed and shipped out of one of the manufacturers involved several weeks prior to the accident. Since then, this subcontractor has been removed from our supplier list. A program of random audits take place on an ongoing basis throughout our global supply chain, to ensure that all direct and indirect suppliers comply with our long-standing social, labor and environmental standards.*

### **STATEMENT FROM BENETTON GROUP April 30, 2013**

*At Benetton Group, everyone is deeply shocked by the dramatic accident that took place in Dhaka, Bangladesh. We would like to express our heartfelt condolences to the families of the victims of the collapse of the Rana Plaza building.*

*As a company, we are working to strengthen the measures and initiatives already in place in the markets in which we operate. Our objective is to contribute to a significant and lasting improvement in workers' conditions and the environment in which they operate. At the same time, we are also in the process of evaluating, in cooperation with global non-profit organisations, how to support further initiatives specifically designed for Bangladesh.*

*Benetton Group strongly reiterates that none of the manufacturers housed in the collapsed building is a supplier to any of our Group’s brands. We have since established that one of our suppliers had occasionally subcontracted orders to one of these Dhaka-based manufacturers. Prior to the accident, that manufacturer had already been permanently removed from the list of potential direct or indirect suppliers. In fact, it had come to light that it no longer met the stringent standards that would have made it eligible to even potentially work for us.*

## ***Annexure 9: RPA milestones***

<b>Milestones achieved</b>	
<b>20 November 2013</b>	Agreement by all parties on the Understanding for a Practical Arrangement on Payments to the Victims of the Rana Plaza Accident and their Families and Dependents for their Losses
<b>2 December 2013</b>	Adoption of the scheme design and organization
<b>24 December 2013</b>	Public launch of the Rana Plaza Arrangement website and request for pledges
<b>31 December 2013</b>	Finalization of the operational plan
<b>16 January 2014</b>	Appointment of the GIZ as contracting agent for financial and administrative management of the scheme
<b>20 January 2014</b>	Appointment of the Executive Commissioner, Dr. Mojtaba Kazazi
<b>28 January 2014</b>	Establishment of the Rana Plaza Donors Trust fund
<b>6 February 2014</b>	Appointment of experts for pre-claims counselling, medical assessments, vulnerability assessments, post-award support services, and claims review team
<b>10 March 2014</b>	Appointment of two National Commissioners, Advocate Sultana Kamal and Justice A.B.M Khairul Haque
<b>24 March 2014</b>	Claims processing begins from a newly opened claims processing office in Savar, Dhaka. The first claimants are supported by the pre-claims teams to provide the necessary documents and information
<b>22 April 2014</b>	BDT 50,000 payment made to all eligible claimants then identified under the auspices of the coordinated Arrangement; any not identified are invited to contact the RPCA directly.
<b>June 2014</b>	BDT 50,000 payment made to all remaining eligible claimants identified.
<b>August 2014</b>	First Instalment of 700 Awards approved by the CC.
<b>15 September 2014</b>	Second Instalments of 796 Awards approved by the CC.
<b>30 September 2014</b>	RPCA closed to registration of new claims.
<b>30 September 2014</b>	First payment (40%) of the First and Second Instalments of awards
<b>23 October 2014</b>	Third Instalment of 843 Awards approved by the CC
<b>2 November 2014</b>	First payment (40%) of the Third Instalment of Awards
<b>3 December 2014</b>	Fourth and Fifth Instalments of 459 Awards approved by the CC
<b>18 December 2014</b>	First payment (40%) of Fourth and Fifth instalments of Awards.
<b>03 March 2015</b>	Second payment (30%) of all Instalments of Awards was approved by the CC.

## Appendix 1: Agreement b/w Shahi & Benetton

### SHAHI EXPORTS PVT. LTD.

Place and date FARIDABAD/MAY21, 2012

Spett.le  
Benind S.p.A.  
Via Villa Minelli, 1  
31050 Ponzano Veneto (TV) - Italia

RE: Agreement between Benind and SHAHI EXPORTS PVT LTD. signed on 21.05.2012 (hereinafter "Agreement").  
Subcontractors.

Dear Sirs,

According to clause 7 of the Agreement, we hereby ask to be authorized to subcontract the manufacture of the Products specified in the attachment hereto, to the following company/ies:

NEW WAVE STYLE LTD. with registered office at RANA PLAZA 6<sup>TH</sup> FLOOR B/36, SAWAR BUS STAND, SAWAR, DHAKA-1340 and  
\_\_\_\_\_ with registered office at \_\_\_\_\_ and  
\_\_\_\_\_ with registered office at \_\_\_\_\_ and  
\_\_\_\_\_ with registered office at \_\_\_\_\_ and  
\_\_\_\_\_ with registered office at \_\_\_\_\_

It being understood that, should you approve the aforementioned subcontractors, we warrant, as stated on the Agreement, that they shall strictly comply with the Agreement mentioned above, the guarantee for Products, and applicable laws and treaties applicable to the matter. You can find here enclosed a copy of Attachment 2 (Code of Conduct UNITED COLORS OF BENETTON) duly signed by the Subcontractors same.

Best regards,

For SHAHI EXPORTS PVT. LTD.  
NAME: MR. J. D. GIRI  
TITLE: DIRECTOR

Address:  
Industrial Plot No. - 1, Sector - 28,  
Faridabad - 121 005,  
Haryana, India

Telephone :  
+91 129-2273980, 4044444

Fax :  
+91 129-2273485, 2273491

e-mail :  
Gdshi@shahi.co.in

## Appendix 2: Factory Evaluation Report of NWS

UNITED COLORS  
OF BENETTON

### Factory Evaluation Profile - BIL

Date: 13.08.2012

#### Vendor/Agency

Name: **SHAHI EXPORTS PVT LTD.**

Address: **Ip-1, sector 28, Faridabad**  
City/State: **Haryana** Country: **India**

Phone: **+91 129-2273980** Fax: **+91 129-2273485**

Contact Person: **Mr SANJAY TANDON** Designation: **Director**

E-Mail: **Sanjay.tandon@shahi.co.in**

Year Business established: **1979**

Year business started with Benetton: **2008**

Annual Sales/Dollar Volume: **500 million**

Factory that may work Benetton goods:

Factory Name in English: **NEW WAVE STYLE LTD.**

Address in English: **RANA PLAZA, B/36, MAJID PUR BUS STAND, SAWAR DHAKA.1340. BANGLADESH**

Year established: **1992** Product type: **Tops, Dress & Skirt**

Years for business relationship with Vendor/Agent (inapplicable for direct manufacturer):  
**1yr**

Area : **2050 m2**

Production Capacity/month: **90,000 pcs /month**

Relationship:

Manufacturer

Partnership

Subcontractor

# Appendix 3: First invoice raised by NWS to Benetton

COMMERCIAL INVOICE				
<b>1. SHIPPER/EXPORTER:</b> NEW WAVE STYLE LTD. RANA PLAZA,B-36(6TH -7TH FLOOR), MAZIDPUR BUS STAND, SAVAR-1340,DHAKA,BANGLADESH. TEL-FAX:02-7743187-7743186		<b>8. INVOICE NO. &amp; DT:</b> NWSL-231/2012 DT: 09-10-2012		
<b>2. FOR ACCOUNT &amp; RISK OF:</b> SHAHI EXPORTS PVT. LTD. INDUSTRIAL PLOT NO-1,SECTOR-28, FARIDABAD-121 008, HARYANA, INDIA.		<b>9. EXPOT FORM NO. &amp; DATE:</b> 1354- -2012 DT : 09-10-2012		
<b>3. NOTIFY PARTY:</b> A) BENIND S P A, VIA DELLA CARTERIA, 1 31050 CASTRETTE DI VILLORBA (TV), ITALY. B) SHAHI EXPORTS PRIVATE LIMITED, IP-1,SECTOR-28, FARIDABAD HARYANA -121 008, INDIA.		<b>10. EXPORT L/C NO. &amp; DATE:</b> 2624FLC1662012 DT: 03-10-2012		
<b>4. PORT OF LOADING:</b> CHITTAGONG BANGLADESH.		<b>11. L/C OPENING BANK:</b> CANARA BANK, PRIME CORPORATE BRANCH-1,1ST FLOOR, DDA BUILDING, NEHRU PLACE, NEW DELHI-110019,INDIA		
<b>5. FINAL DESTINATION:</b> TRIESTE, ITALY		<b>12. NEGOTIATING BANK:</b> SOUTHEAST BANK LTD,SHYAMOLI BRANCH"ASA TOWER" (2ND FLOOR),SHYAMOLI,MOHAMMADPUR,DHAKA-1207, BANGLADESH. REF. L/C NO: 06/08789/4012378 DATE : 10-08-2012		
<b>6. CARRIER:</b> BY SEA		<b>13. REMARKS:</b> OGL NO. CHAPTER 2 PARA 2.1 OF IMPORT TRADE POLICY APRIL-MARCH 2009-2014 UNDER ITC (HS)CODE: 6206 / 6209 AND IEC CODE NO. 0588085481		
<b>7. PORT OF DISCHARGE:</b> TRIESTE-IT				
14. MARKS NUMBERS:	15. DESCRIPTION OF GOODS	16. QUANTITY	17. UNIT PRICE	18. AMOUNT
BENIND S.P.A TREVISO ITALY COMMESSA NO. STYLE NO. CARTON NO. MADE IN BANGLADESH	SN NO. N000029971 100 PERCENT COTTON WOVEN BABIES AND GIRLS SHIRT STRICTLY AS PER BENEFICIARY'S PROFORMA INVOICE NO. 163 DATED 11-JUL-2012 REVISION 1 DATED 22-SEP-2012 AND 165 DATED 11-JUL-2012 REVISION 1 DATED 24-SEP-2012.			FOB BANGLADESH
	<b>STYLE NO.</b> <b>JOB ORDER</b>	<b>PCS</b>	<b>USD/PCS</b>	<b>USD</b>
	5CKP5Q03P    13-1-1358	88 "	2.168	\$    190.78
	5CKP5Q03P    13-1-1432	4,996 "	2.168	\$    10,831.33
	5CKP5Q03P    13-1-1461	1,641 "	2.168	\$    3,557.69
	5CKP5Q03P    13-1-1544	1,237 "	2.168	\$    2,681.82
	5CKP5Q03P    13-1-1557	197 "	2.168	\$    427.10
	5CKP5Q03P    13-1-3625	482 "	2.168	\$    1,044.98
	5CKP5Q03P    13-1-3642	831 "	2.168	\$    1,801.61
	5CKP5Q03P    13-1-3645	4,764 "	2.168	\$    10,328.35
<b>TOTAL :</b>		<b>14,236 PCS</b>		<b>\$    30,863.65</b>
<b>(TOTAL U.S.DOLLAR. THIRTY THOUSAND EIGHT HUNDRED SIXTY THREE AND CENTS SIXTY FIVE ONLY)</b>				
TOTAL QTY                    : #####				
TOTAL CTN                    : 77 CTNS				
TTL NET WT.                    : #####				
TTL GRS WT.                    : #####				
CTN MEASUREMENT         : 3.75 CBM				
<b>19. ADDRESS:</b>		For NEW WAVE STYLE LTD.		
OFFICE	: Rana Plaza,B-36(6Th - 7Th Floor), Mazidpur Bus Stand,Savar-1340,Dhaka,Bangladesh.			
TELEPHONE	: 88-02-7743187			
FAX	: 88-02-7743186			
E-mail	: <a href="mailto:info@newwavebd.com">info@newwavebd.com</a>	Authorized Signature		

# Appendix 4: Last invoice raised by NWS to Benetton

1. Code of origin (country) (blocks name, address, country) **BEN REJ NO: 4388**  
**NEW WAVE STYLE LTD.**  
**RANA PLAZA, 6426 (7TH FLOOR), MAZIDPUR BUS STAND, SAVAR-1340, DHAKA, BANGLADESH**

2. Code of origin (country) (name, address, country) **BENINDI S.P.A.**  
**VIA DELLA CARTERIA 1**  
**31050 CASTELLE DI VILLOBA (TV), ITALY**

3. Means of transport (route) (as far as known) **CHITTAGONG BY SEA**  
**B/L NO: 4851-2199-204-045 DT: 13-04-13**  
**VESSEL: KARIN V-314R**  
**CONT. NO: TNU7959254**

4. For official use

Reference No. **A 6103772**

**GENERALIZED SYSTEM OF PREFERENCES CERTIFICATE OF ORIGIN (combined declaration and certificate) FORM A**

Issued in **BANGLADESH**

Use notes overleaf

**ISSUED RETROSPECTIVELY**

6. Item number	7. Number and kind of packages; description of goods	8. Origin (see notes overleaf)	9. Gross weight or other quantity	10. Number and date of invoice
	37 CINS.	IND	PCS	NWSL-104/2013 DT: 03-04-13
	<b>BENINDI S.P.A</b> <b>TREVISO ITALY</b> <b>COMMESSA NO:</b> <b>STYLE NO:</b> <b>CARTON NO:</b> <b>MADE IN</b> <b>BANGLADESH.</b>		5,403	
	<b>EN NO: N000057344</b> <b>100 PERCENT COTTON MEN'S</b> <b>BABES/GIRL SHIRT</b> <b>(AS PER INVOICES DETAILS)</b> <b>STYLE NO: 5005300P</b> <b>JOB ORDER: 13-2-3031</b> <b>CAT-68 = 1451 PCS</b> <b>CAT-7 = 3952 PCS</b>	62.09 62.06	(FIFTEEN THOUSAND FOUR HUNDRED THIRTY PCS ONLY)	
	<b>L/C NO: 2624FTC036-13 DT: 26-02-13</b> <b>EXP NO: 1354-00369-2013 DT: 03-04-13</b> <b>REF L/C NO: 06/08780/4014260 DT: 12-02-13</b> <b>BOMBA REJ NO: 3679</b> <b>BIN NO: 5031055638</b> <b>B/B NO: C 227353 DT: 05-04-13</b>			

11. Certification  
 It is hereby certified, on the basis of evidence called out, that the declaration by the exporter is correct.

**Md. Anwarul Haque**  
 Assistant Director  
 Export Promotion Bureau  
 Dhaka.

**16 APR 2013**

12. Declaration by the exporter  
 The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in **BANGLADESH** and that they comply with the origin requirements applicable for those goods to be generalized system of preferences for goods exported to **ITALY**.

**DHAKA: 16.04.13**

**DELWAR AHMED**  
 Director  
 New Wave Style Ltd.

## LETTER OF DECLARATION

Date of Issuance : 13-04-2013

Supplier : NEW WAVE STYLE LTD.

Supplier Invoice # : NWSL-104/2013 DT: 03-04-2013

Brand : BENETTON

Season : AUTUNNO BASE

Shipment No. : N000057344

Commissa No. : 13-2-3031.

Style # : SDCC5Q0UP.

Quantities : 5,403 PCS

Shipment Date : 13-04-2013

Port/Airport of Loading : CHITTAGONG BY SEA

Port/Airport of Discharge : GENOA, ITALY

Mode Of Transportation : SEA

### TO WHOM IT MIGHT CONCERN

We The New Wave Style Ltd, hereby declared that **NO SILICA GEL**, has been used while packing of these above product.

For New Wave Style Ltd  
**NEW WAVE STYLE LTD.**

**Director**  
 Authorised Signature

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