

Position statement – Benetton Group in Bangladesh: the facts

What happened in Dhaka almost a year ago was a terrible tragedy for which we are all still shaken and which led us to start working immediately to help the victims and make sure that such disasters never happen again. We have always been 100% committed to making sure that all the most important rights are respected wherever we operate, even though sometimes we find ourselves faced with extremely complex local situations.

For this reason, Benetton Group would like to clarify its position with respect to often-raised questions regarding its presence in Bangladesh:

- Benetton Group has never had any kind of continuous relationship with the suppliers that operated in the Rana Plaza building.
- New Wave Style, a local supplier, only received occasional orders, amounting to 0.06% of our production.
- Even though these were only occasional and very small orders, before starting supplies we performed an audit, which revealed no problems related to workers' conditions. Only in a later phase did we obtain further information that indicated that the conditions to continue the working relationship with New Wave Style no longer existed. As a result we took the initiative to terminate all relationships even before the tragic accident.
- All the suppliers to Benetton Group and related companies are on the list of firms that will be audited under the auspices of the Bangladesh Fire and Building Safety Accord will touch on with its auditing programme. The Accord is a five-year commitment by all stakeholders involved which works towards significantly improving fire and building safety as well as working conditions in the ready-made garment industry in Bangladesh.
- As to why we have remained in Bangladesh, we would like to reiterate that immediately after the tragic events of Rana Plaza, the government of Bangladesh publicly called on companies not to leave the country: the textile sector accounts for about 30% of its GDP. That is why companies like ours have chosen to stay, also and above all to stimulate and accompany a change that is undoubtedly necessary. It was this that led us to be advocates and among the earliest signatories of the Bangladesh Fire & Building Safety Accord. On behalf of all signatories, the Accord is also conducting over 1,500 rigorous inspections, meaning - just to be clear - that the benefits not only affect those who work for our suppliers but also extend to those who work for companies that are not part of the Accord.
- As for the support provided to the victims of the Rana Plaza collapse, we immediately acted alongside BRAC*, the largest

nongovernmental organisation (NGO) in the world in terms of people receiving help, and, more importantly, an NGO founded and based in Bangladesh since 1972. In addition to this, we were at the same time proponents of the round table created for the victims' fund, which also involved Clean Clothes/Abiti Puliti, and we were one of four companies that coordinated it. We ended our involvement in the round table when we realised that times were lengthening and we were coming to the point of envisaging a purely voluntary contribution system, one which was not at all proportionate to each company's presence in Bangladesh. We did not share this principle because it does not take into consideration the fact that companies generate production risks also in terms of the size of their orders to suppliers. We therefore decided to further concentrate our funds and efforts to support the victims and their families on the programme developed by BRAC, allocating resources so that those who had tragically lost arms, legs or hands could be taken care of and return, if possible, to something like a normal life. With BRAC, we also activated a further programme of support initiatives for 350 victims and their families, with a focus on those who had lost their only source of financial support.

* BRAC – the world's largest development organisation and a global leader in creating opportunities for the poor – started as a limited relief operation in 1972, in a remote village of Bangladesh. It has since spread antipoverty solutions to 11 other developing countries in Asia, Africa and the Caribbean. Organising the poor using communities' own human and material resources, BRAC catalyses lasting change, creating an ecosystem in which the poor have the chance to seize control of their own lives. BRAC does this with a holistic development approach geared toward inclusion, using tools like healthcare, education, microfinance, disaster management, environment and climate change, legal services, community empowerment and many more. Currently, more than 135 million people are being reached through BRAC staff and BRAC-trained entrepreneurs numbering in the hundreds of thousands. BRAC employs 45,918 regular staff and over 69,434 project staff. Its annual budget is 572 million USD (2011).

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