

Benetton Group's commitment to Bangladesh re: Rana Plaza.

Executive Summary

- **Within three weeks from the tragic collapse.** Benetton Group signs the Bangladesh Fire & Building Safety Accord in order to be at the forefront of efforts to contribute to a significant and lasting improvement in safety and working conditions in the country's textile industry.
- **Within one month from the tragic collapse.** Benetton Group launches a programme in partnership with the Bangladesh-based nongovernmental organisation BRAC to provide tangible support to the victims of the tragic event and their families.
- **Ongoing.** In addition to the activities carried out under the auspices of the Accord, Benetton Group has also organised a series of independent social audits – in partnership with leading certification companies – to further reinforce the existing programme both in Bangladesh and in the main markets where the company works. The Group has also launched its own programme to ensure the structural integrity of all buildings in which its suppliers work in Bangladesh.

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Benetton Group acted quickly in support of the victims of the Rana Plaza collapse. A little over two weeks after the tragic events, the Group decided to champion the **Bangladesh Fire & Building Safety Accord**.

Benetton Group chose to support the Accord in order to place itself at the forefront of efforts to realize significant, long-term improvements in the work and safety conditions of everybody employed in the textiles sector in Bangladesh, regardless of whether they work for the Group's suppliers or not. It was the fifth company worldwide to make the formal commitment to sign the Accord.

In the meantime, while the Accord has been implementing a well-structured plan of inspections for over 1,500 factories and sites, Benetton Group has also organised a plan of independent social audits to further reinforce existing programme both in Bangladesh and in the main markets where the company operates. This supplementary programme is carried out in partnership with leading certification companies in the sector, including Intertek, Bureau Veritas and others. Moreover, a few months ago the company launched its own programme – in addition to the activities to be carried out under the auspices of the Accord – to ensure the structural integrity of all buildings in which the group's suppliers work in Bangladesh. The first safety audits were completed a few weeks ago, as part of a programme in partnership with the German certifying body TÜV, a world leader in this field.

Less than a month after the Rana Plaza disaster, Benetton Group was once again among the first companies to take action, launching a programme in partnership with the nongovernmental organisation **BRAC**.

The programme involved 350 beneficiaries. The first step was to supply artificial limbs to a number of recipients; other support initiatives followed. In the longer term, the programme intends to support survivors and the families of those who lost their only source of financial support by providing them with training courses and granting them funds to start up new income-generating activities, so ensuring social wellbeing and economic self-sufficiency to those affected by the disaster.

Regarding the Rana Plaza Arrangement (the compensation fund for the victims of Rana Plaza), Benetton Group was a proponent of the round table created for the victims' fund and initially one of four companies that coordinated it. The Group ended its involvement in the round table when it 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. The Group therefore decided to further concentrate 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.

As a reminder, Benetton Group did not have continuous relationships with any of the suppliers that operated inside the Rana Plaza building. In fact, New Wave Style, a supplier based inside the building, received from Benetton Group only occasional orders, amounting over the prior twelve months to 0.06% of the Group's production. The last and final order from New Wave had been closed and shipped weeks prior to the tragic collapse.

Further notes and links

www.benettongroup.com/sustainability/benetton-for-bangladesh/

About the Accord

<http://www.bangladeshaccord.org/>

The Accord is an initiative launched to improve the safety conditions of workers in the textile supply chain in Bangladesh. It was signed by some 150 clothing firms from over 20 countries around the world, as well as by the federations of international trade unions IndustriALL and UNI Global Union, numerous Bangladeshi trade-union organisations and various nongovernmental organizations. The work of the Accord is carried out under the supervision of the International Labour Organization (ILO), the United Nations agency dealing with the promotion of dignified labour standards in conditions of freedom, equality, safety and human dignity for men and women. The Accord includes a very broad programme of inspections aimed at ensuring the safety of buildings for suppliers of the 150 adhering brands. The results of the first inspections were published in March.

About BRAC

http://www.benettongroup.com/sustainability/benetton-for-bangladesh/02_bangladesh_brac_f.html

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 total expenditure was 546 million USD in 2013.