Message from the Alliance Independent Chair & President

Dear Colleagues,

Recent years have marked several tragic factory disasters in Bangladesh, such as the Tazreen fire and the Rana Plaza collapse, which together took the lives of more than 1,200 people. No one should have to risk their life in order to make a living—and in the face of such events, preventing these tragedies is nothing short of a moral imperative.

That is why six months ago, leading North American apparel companies came together to form the Alliance for Bangladesh Worker Safety—a five year, legally binding, results-oriented initiative dedicated to dramatically improving safety conditions for workers in Bangladesh. Today, the Alliance is pleased to share the progress achieved against our commitments in our first six months.

There are approximately 700 factories in Bangladesh from which our Member companies source, employing approximately 1.28 million workers. It is our goal to ensure that safe workplaces in Bangladesh become the rule, not the exception, for all women and men employed in the Bangladesh ready-made garment industry. We also recognize that improving safety needs to be a collaborative effort, and we will continue to work with others who share in the responsibility for garment factory safety.

The challenges are complex and much work lies ahead, but we are dedicated to achieving results that will set a new standard for worker safety. Together, we can realize a safer workplace for all Bangladesh garment industry workers.

We look forward to sharing our future developments and learnings from this ongoing effort.

Sincerely,

The Honorable Ellen Tauscher
Chairman, Alliance Board

Jeff Krilla
President & CEO, Alliance
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## Accomplishments at a Glance

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| **1. COMMON SAFETY INSPECTION STANDARD** | ✓ Together with Bangladesh Accord on Fire and Building Safety (Accord), developed common Standard to guide all factory inspections  
✓ Harmonized Standard with the National Tripartite Plan of Action on Fire Safety (NTPA)  
✓ Exceeded National Building Code in select areas related to fire safety  
✓ Recruited Committee of Experts (COE) to oversee execution  
✓ Conducted equivalency evaluation of previous Member inspections | • Serve on NTPA monthly Review Committee/attend monthly meetings  
• Finalize and share assessment protocols  
• Release list of Qualified Inspectors  
• Continue factory inspections |
| **2. WORKER TRAINING AND EMPOWERMENT**   | ✓ Trained workers and managers in 31% of Alliance factories  
✓ Conducted Worker Baseline Survey and offsite interviews among more than 3,200 workers in 28 factories  
✓ Selected team of third-party organizations to implement a helpline and develop training materials | • Roll out training curriculum  
• Conduct impact evaluation against worker survey  
• Train employees and managers at remaining Alliance factories  
• Pilot helpline in 50 factories  
• Complete worker representative approach that includes worker and management education on Freedom of Association  
• Further develop Worker Health & Safety Committee structure with input from the International Labor Organization (ILO) |
### 3. LOCAL ENGAGEMENT AND CAPACITY BUILDING

- Opened Dhaka office and hired 15 local staff
- Partnered with Bangladeshi Government, BGMEA, BKMEA, BRAC and IFC
- Identified local organizations/firms to respond to training and assessment RFPs
- Developed a shared training model for local organizations to support implementation
- Engaged with local and international labor organizations, civil society groups and think tanks to address the need for shared responsibility
- Mapped existing worker empowerment and training programs to avoid duplication
- Identified shared factories with the Accord

### 4. FINANCIAL COMMITMENTS

- Worker Welfare Fund established in association with BRAC
- Identified several commercially available financing options that exist to support factory remediation
- Affordable access to capital (approximately $100 million) provided by individual brands
- Year 1 membership fees collected from all Members
- Financial governance being developed and implemented

- Partner with local organizations for implementation of program and provide safety training
- Participate in first international Trade Expo for Building and Fire Safety in Bangladesh in February, in collaboration with IFC, BGMEA, Accord and C&A Foundation
- Qualify inspection firms released by COE
- Identify and further develop relationships with international labor organizations

- Communicate to factory owners about access to funds for remediation
- Establish reporting of fund disbursement
- Finalize financial governance
| 5. TRANSPARENCY AND SHARING | ✓ Factory information and inspection reports regularly uploaded by Members to Fair Factories Clearinghouse (FFC)  
✓ Factory lists updated and disclosed monthly  
✓ All key Alliance documents publicly available on Alliance website  
✓ Sent weekly newsletters and held monthly membership calls on program updates  
✓ Conducted monthly update calls with allied trade associations | • Publicly share training curriculum for use by the industry  
• Create reporting template guide for FFC  
• Publicly share factory inspection report summaries  
• Announce Board of Advisors  
• Distribute regular updates on Alliance progress |
Progress Toward Alliance Commitments

Ensuring a Common Standard for Safety Inspections

The Alliance has one purpose: To improve safety conditions for the women and men who make their living in Bangladesh’s ready-made garment sector (RMG). The priority to achieve this goal is to work together with the Bangladeshi government, factory owners and other stakeholders to improve the fire safety and structural integrity of the factories in which these women and men work.

Since our formation in July 2013, the Alliance has focused on laying the groundwork to inspect, remediate and train workers in every factory in which our Member companies do business. This began with the establishment of our Fire Safety and Structural Integrity Standard (the “Standard”), which will ensure that all factories are held to the same, clear safety requirements.

The Standard was developed by technical experts from both the Alliance and the Bangladesh Accord on Fire and Building Safety (the “Accord”), and finalized in December 2013. To help ensure consistency in the inspection of factories countrywide, the Standard has been harmonized with the guidelines developed by the Bangladesh University of Engineering and Technology (BUET) for the National Tripartite Plan of Action (NTPA).

In alignment with the NTPA—the agreement between the Bangladesh government and employers’ and workers’ organizations that creates a timeline to improve working conditions in the Bangladesh garment industry—the Standard is founded on the requirements of the 2006
Bangladesh National Building Code (BNBC), though it exceeds those requirements in some cases.

To translate the Standard into practice, our technical experts have begun to develop **Assessment Protocols** and field tools to guide assessors and ensure a consistent technical approach. The Assessment Protocols also provide a formal process for escalating issues in the event that severe and imminent life-threatening situations are suspected. Assessment reports are then shared with the factory, along with recommended **Corrective Action Plans** (CAP) that are developed to guide factory improvements.

Finally, the Alliance has retained a committee of independent fire and structural safety experts from Bangladesh, Europe and North America who are certified, credentialed and recognized authorities in fire or building structural safety. The **Committee of Experts** (COE) is responsible for overseeing the implementation of the Alliance Standard, which includes approving qualified inspectors, conducting spot audits of remediation efforts and validating inspection reports.

**Next Phase: Inspections**

Now that the Alliance Standard has been finalized and harmonized with the standards of our partners, Alliance-led inspections against these criteria will begin. Many of our Member companies have been conducting factory inspections since before the inception of the Alliance; to date, 222 factories (31%) have been covered by these inspections. In order to avoid duplication, the Alliance Committee of Experts is now conducting an independent analysis of those inspections to evaluate their compliance with the Alliance Standard. Factories not meeting the Standard will be re-inspected by Qualified Inspectors—our list of which will be released in February 2014—as will all factories for which inspections have yet to take place.

By July 2014 one hundred percent (100%) of all Alliance Member factories in Bangladesh will undergo fire safety, structural and electrical inspections to assess compliance with the Alliance Fire and Building Safety Standard.”
Fire and Building Safety Standard. Inspections will then prompt action plans to be used by factories to improve safety conditions for garment workers, and remediation will begin when necessary.

We recognize that we have a great deal of work in front of us to complete our inspections by July and will continue to garner learnings as we move forward. We will look for opportunities to collaborate with others conducting inspections in an effort to cover more factories more efficiently and begin to focus our efforts on remediation plans.

![Factory Inspections Graph]

**Training and Empowering Workers**

Workers are at the heart of this initiative. They bring an important perspective from the factory floor. It is this perspective that will help inform our work. It also serves as a powerful reminder of why we are committed to this effort. To date, our worker empowerment initiatives have been driven by the following key actions:

- Completion of a **Worker Baseline Survey** as well as off-site worker interviews with over 3,200 workers in 28 representative factories to assess the existing safety education landscape of Member supplier factories (see details, page 12);

- Ongoing provision of basic **fire safety training** to all workers and management with a particular emphasis on the role of the worker representative structures in factories; and

- Establishing a confidential **helpline** that provides workers with an accessible, immediate and confidential way to raise safety concerns without fear of reprisal.
Management and Worker Training

To date, our Member companies have provided fire safety training at 218 (31%) Alliance factories; the Alliance will provide training at all remaining factories by July 2014. In our first six months, focus has been on developing the **Alliance Foundational Course Curriculum**, designed to be clear, complete and easily communicated to and adopted by factory workers in a scalable and sustainable manner.

To this end, we have partnered with the **Institute for Sustainable Communities**, a grassroots organization that specializes in the development of creative training materials that will open a Health & Safety Academy in Bangladesh this fall. We are also soliciting bids from additional training service providers, with an eye toward the prioritization of non-profits that specialize in worker safety and empowerment.

The Alliance training plan includes two parallel models for improving the culture of safety in our supplier factories: (1) Train the Trainer (TtT) Training, which expands capacity by ensuring that leaders within factories are equipped to deliver safety training to new hires and periodically as refreshers to all staff, and (2) In-factory training, which is aimed at all factory workers, and may be delivered by trained factory leaders or qualified third party trainers.

<table>
<thead>
<tr>
<th>Train the Trainer Training</th>
<th>In-factory Training</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Audience</strong></td>
<td><strong>REQUIRED:</strong> All Managers and Workers</td>
</tr>
<tr>
<td><strong>RECOMMENDED:</strong> Health and Safety Committees, Management, Worker Representatives&lt;br&gt;<strong>RECOMMENDED:</strong> Guards, Supervisors</td>
<td></td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td>Impart fire safety and evacuation skills&lt;br&gt;Ensure workers understand their rights and responsibilities with regard to fire prevention, firefighting and protection</td>
</tr>
<tr>
<td>Educate trainers on the key responsibilities of workers, guards and management for fire prevention and firefighting&lt;br&gt;Equip factory trainers with the necessary methodology and knowledge to deliver the basic training</td>
<td></td>
</tr>
<tr>
<td><strong>Methods</strong></td>
<td>Small Group Discussions, Role Play, Sticker Voting, Association Games, Quizzes, Demonstration, Practice Sessions</td>
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Worker Empowerment Helpline

In both the Tazreen and Rana Plaza tragedies, lives could have been saved if workers who tried to speak out about unsafe conditions were heard and supported. Moving forward, worker perspectives must drive change, which is why the Alliance is committed to providing workers with a confidential channel through which to report concerns.

To this end, the Alliance has selected three worker empowerment-focused organizations—Clear Voice, Phulki and Good World Solutions—that will work in partnership to implement a worker helpline and education program. Founded by an early worker rights and human rights pioneer, Clear Voice provides tools for communication with workers. Clear Voice will partner with Phulki, one of Bangladesh’s leading worker rights non-governmental organizations (NGO), and Good World Solutions, whose focus will be on applying its Labor Link technology to train workers on their rights and survey them on their well-being.

Beginning March 2014, the helpline program will be piloted in 50 select factories in greater Dhaka, with in-factory orientation to accompany the launch at each location. Helplines will roll out to 100 factories by March 2015, with the goal of becoming functional in all Alliance factories by 2017. Program operation will be closely monitored and the results will be used to refine the system before it is implemented throughout all Alliance factories.

As part of the NTPA, industry-wide hotlines are being discussed as a mechanism to provide upstream communication channels for all workers for the industry. Currently, however, no
such hotlines exist in a credible and effective manner for all workers throughout the industry. If the NTPA’s hotline is established, the Alliance will work with them to ensure that we avoid duplication and ensure that the hotline is sustainable long term.

**Engaging Partners and Building Capacity at the Local Level**

Engaging Bangladeshis in this effort will be critical to success: this is their country and their future at stake. To this end, the Alliance opened an office in Bangladesh, hired local staff and focused our first six months on building partnerships with the Bangladeshi government and local trade associations, worker organizations and technical experts.

We are also working closely with the Fire Defense and Civil Department and the Bangladesh University of Engineering and Technology (BUET), and have been asked to serve on the Review Committee for potential shutdown of any garment factory failing inspections conducted by BUET, the Accord and/or the Alliance.

Engagement with the International Labor Organization (ILO) has been another critical pillar to the Alliance’s work in country. The ILO was pivotal in bringing together structural engineers and fire safety experts from BUET, the Accord and the Alliance to harmonize inspection standards, and we continue to seek their counsel on Alliance matters.

We have been closely monitoring the recent changes in labor laws related to freedom of association announced by the government of Bangladesh. While there has been some progress made in the right direction by the government, efforts need to continue to respect the right for workers to organize. The Alliance is engaging with the unions where they exist at the supplier level.

“The Alliance Dhaka office has 15 staff in place, with a forecast to increase to 20 by February 2014. All staff are Bangladeshi nationals who bring decades of combined experience in Bangladesh’s garment industry. To date, our team includes a managing director, managers for fire and structural safety, assessments, training, worker outreach and empowerment, factory liaison and remediation, as well as other support staff.”
We continue to seek opportunities to collaborate on efforts in Bangladesh to improve factory safety as the challenges are significant and will take our collective effort to make meaningful progress.

**Securing Financial Commitments**

Improving Bangladesh factories and helping workers displaced by factory safety issues will require significant investment on the part of all stakeholders. To this end, Members of the Alliance have established two separate mechanisms to assist with factory improvements and provide supplemental support to workers in need.

First, Alliance Members have established and committed nearly $50 million to the **Worker Safety Fund**, which will be used to provide training and worker empowerment tools. A reserve of 10 percent of this Fund annually will be set aside to support temporarily displaced workers in the event a factory is closed for remediation. Funds will be administered through BRAC—the world’s largest NGO in service to the poor, founded and based in Bangladesh.

In recognition of the current difficulty of obtaining access to affordable capital in Bangladesh for business projects, some Alliance Members have made over $100 million in low-cost capital available to factories within their supply chains to accelerate the pace of improvements.

As progress is demonstrable on the ground in Bangladesh, the Alliance intends to leverage results and these funds to attract in-kind aid, grants and investments from other organizations, including the philanthropic and NGO communities, USAID, the ILO,
garment industry groups in Bangladesh, and the governments of Bangladesh, Canada and the United States.

**Ensuring Transparency and Sharing**

The Alliance is strongly committed to regular public reporting of factory information that can help improve safety for factory workers. To this end, the Alliance works closely with the **Fair Factories Clearinghouse (FFC)**, a platform for Member companies to share assessment reports and remediation plans. Its use allows for rapid exchange of information, including factory lists, factory profiles and structural details, safety inspection reports, audit results, remediation progress and the development of democratically elected worker committees and unions.

Our Member companies regularly contribute relevant information via this platform, and since our inception, the Alliance has supplemented this with monthly reporting and disclosures. On the 15th day of each month, the Alliance publicly discloses information about Member factories. These reports will become more robust in upcoming months, as more information becomes available regarding factory inspections and progress on addressing remediation plans.

After acquiring membership, all new Members are required to provide information to be made available on the FFC, including: (1) a list of all RMG factories that Members currently utilize in Bangladesh, (2) existing training programs, curriculum and communications procedures for factory workers, and (3) factories that have received fire and building safety training.

We believe sharing of information and learnings will be important to working collectively to address the issue of safety in Bangladesh.

“It is our goal to ensure that safe workplaces in Bangladesh become the rule, not the exception, for all women and men employed in the Bangladesh ready-made garment industry.”
In Focus: Worker Baseline Survey

In November to December 2013, the Alliance conducted a Worker Baseline Survey among more than 3,200 workers in 28 garment factories in Bangladesh. In addition, 10 focus groups were conducted off-site with 101 participants in three Bangladeshi regions to obtain more nuanced information on fire and other health and safety issues. Participants were specifically chosen from factories that had not received training provided or sponsored by Alliance Member companies. The primary purpose of the survey and off-site interviews was to better understand the current level of awareness of health and safety risks and what workers believe needs to be done to improve safety and reduce risk.

The worker survey consisted of 50 questions assessing workers’ perspective on health and safety from seven dimensions: knowledge, awareness, training, experience, worker integration, perception of risks at work and perception of management concern for health and safety.

All participants were selected randomly and were informed that the survey was 100% anonymous. All told, the survey points to the need for a comprehensive and consistent health and safety training curriculum that can be implemented systematically across factories and that corrects for some of the issues that have come to life in this survey. Key takeaways include the following:

1. Workers are concerned for their safety.
   - 65% of workers in focus groups indicated they would prefer to work on a low floor for safety reasons, even if working on a high floor offered additional financial rewards.
   - 47% of respondents feel they cannot leave the building quickly in case of emergency, and 30% think there is a high risk of fire in their building.

“Workers are at the heart of this initiative. They bring an important perspective from the factory floor that informs our work and serves as a powerful reminder of why we are committed to this effort.”
• In 34% of surveyed factories, workers say they had witnessed fire incidents. In the focus groups, participants in all but one of the 10 discussions reported experiencing fires.

• 27% feel they are not given sufficient training on how to protect themselves.

2. Workers have been trained on fire safety issues to some extent.

• 87% have participated in a fire evacuation drill in the last three months.

• 73% say that health and safety was part of their orientation training.

• 45% say that they had not been trained on fire safety.

3. When asked off-site during focus groups, however, workers voice more concern about how training is executed.

• Female participants pointed out that their male counterparts are more readily offered training.

• While most participants have taken part in evacuation drills, most were conducted during daytime hours, leaving night shift workers neglected.

• Drills were often conducted inappropriately, such as with a failure to count participants; others were only partly conducted, for example, evacuating workers to lower levels rather than fully outside their buildings.

4. Lags in frequency and quality of training have consequences for workers.

• In the event of an emergency, most workers (82%) know that they need to leave the area using designated escape routes whenever possible. However, a considerable group of workers think they should find shelter in a safe place inside the building (24%) or take the elevator to exit the building (17%).

• A majority of workers surveyed did not realize that overfilled storage rooms (67%) or electrical wires under the carpets or mats (52%) posed a fire hazard.

• Only 34% said when a fire alarm goes off, they would react as if there were a real fire, while 32% felt they should wait to determine if it was a false alarm. 21% indicated they would first ask a security guard and 13% said they would call the fire brigade before evacuating.
5. Training has not been fully effective in raising workers’ awareness and sense of responsibility for health and safety.

- While the majority of workers agree that they should report unsafe conditions (67%) and follow the dress code and personal protective equipment requirement (64%), nearly half do not think it is a worker’s obligation to get to know the emergency procedure (48%) or report injuries (49%).

6. Workers are not fully aware of fire risks and the importance of fire safety measures.

- Although 92% of surveyed workers say they are provided with personal protective equipment, 25% of focus group discussion participants say they only wear them when buyers come to visit (which might contribute to the high prevalence, 61%, of machinery injuries reported in the survey).

- 73% think that a certain number of fatal fires or other accidents cannot be prevented.

- 65% think most fires can be put out easily and fast, and do not constitute a threat.

- Over half (57%) think evacuation drills and safety training should be avoided during peak seasons.

7. Certain groups of workers are at particular risk and would benefit from special consideration as new trainings are developed.

- Despite being 80% of the garment factory workforce, female workers tend to have a lower level of knowledge than their male counterparts. They are also less active in health and safety committee activities, contacting worker representatives and voicing their concerns.
• Workers with less education are inclined to have a lower level of awareness, whereas those who are better educated do a better job of recognizing fire risk.

• Workers between the age of 14 and 17 feel their work constitutes a bigger health risk than adult workers. Close to half of younger workers (49%) think their job will negatively impact their health at least to some extent.

The results of this survey point to the need for a comprehensive and consistent health and safety training curriculum that can be implemented systematically across factories, and have helped identify areas for special consideration as the Alliance curriculum is finalized and rolled out in garment factories.
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