



# Fact Sheet

## Unsafe Garment Factory Buildings

### Zooming in on the role of buying companies

July 2013

This fact sheet is about fire and building safety of garment factories in low-wage countries – particularly in Asia. Over the past few years, hundreds of workers have died in fires and building collapses in Bangladesh, Pakistan and Cambodia. There is a long way to go before factory buildings are safe places for people to work. Governments and companies alike bear responsibility for the welfare of workers. This factsheet offers a number of suggestions for buying companies (buying houses, brands and retailers).

### What is the problem?

Today's global Ready Made Garment (RMG) industry is concentrated in low-wage countries in Asia and Latin America. Countries like Bangladesh, Indonesia, Pakistan, India and Thailand have witnessed an enormous rise in orders from European and American clothing brands and retailers in recent years. However, the basic conditions in these countries are not geared towards large-scale clothing production in a safe working environment.

The sub-standard state of factory buildings is one of the main problems. Factories are often housed in buildings that were not designed or built for this purpose. Illegal

construction of buildings and the unchecked addition of extra floors are common. Building licences are often bought or faked.

Further factors that may contribute to factory fires or building collapses include:

- ❑ faulty and overburdened electric wiring;
- ❑ defective appliances such as boilers and generators;
- ❑ poor construction that is not designed to hold heavy machinery;
- ❑ overcrowded work floors;
- ❑ absent, narrow, locked and/or blocked staircases and emergency exits;
- ❑ defective lifts;
- ❑ barred windows.

### Role of governments

Governments of apparel-producing countries often lack the financial means to organise proper factory inspections. The inspectorates are dramatically understaffed.

For example, the Bangladesh labour inspectorate has fewer than 100 inspectors for more than 24,000 factories, 3 million shops and two major ports. Additionally, in order to create an attractive environment for foreign investors, ❑



## Deadly accidents in the garment industry from September 2012 to May 2013

16 May 2013	Wing Star, Phnom Penh, Cambodia	building collapse	3 dead, 10 injured
8 May 2013	Tung Hai, Darus Salam, Bangladesh	factory fire	8 dead
23 April 2013	Rana Plaza, Dhaka, Bangladesh	building collapse	1,129 dead, 1,650 injured
26 Jan 2013	Smart Fashion, Dhaka, Bangladesh	factory fire	7 dead, 50 injured
5 Dec 2012	AKH Stretch Garment, Dhaka, Bangladesh	boiler explosion	1 dead, 50 injured
24 Nov 2012	Tazreen Fashions, Dhaka Bangladesh	factory fire	112 dead, 300 injured
11 Sept 2012	Ali Enterprises, Karachi, Pakistan	factory fire	around 300 dead
11 Sept 2012	Shoe factory, Lahore, Pakistan	factory fire	25 dead, 27 injured

governments in low-wage export-oriented production countries are often seen to ease controls. In the Punjab and Sindh provinces in Pakistan, for instance, labour inspections have been abolished altogether. Authorities often display a lack of political will and interest to protect workers' rights.

### Role of companies

Apart from governments failing to live up to their duty to protect the rights of garment workers, companies are failing to live up to their responsibility to respect labour rights. For most garment factory owners, 'profit' comes before 'people' or 'planet'. In addition, Southern manufacturers are engaged in fierce competition for export orders. To maintain competitive prices, factories depress wages and other expenses. The companies that buy from these factories exert direct pressure to keep manufacturing costs at the lowest possible level. Buyers are constantly searching for cheap production locations that can accommodate complex orders and deliver quality items at short

notice. The average buying company may spread its orders over hundreds of changing suppliers. Long-term relationships with suppliers are rare.

Immense pressure to keep production costs low, and the lack of commitment for future orders, leave manufacturers with few opportunities to invest in building safety. Short lead times, urgent orders, re-orders and last-minute changes in design and fabric choice all put additional pressure on suppliers.

To meet demands, factories often produce around the clock, potentially leading to safety risks like overburdened electrical circuits. Excessive production demands have forced workers to go to work to finish urgent orders, even when the factory building was visibly unsafe (at Rana Plaza in Bangladesh, for example, where 1,129 people died in a building collapse in May 2013) or when fire alarms were going off (Tazreen Fashions in Bangladesh, where 112 people died in November 2012).

### Legal and normative framework

All workers have the right to work in an environment that is safe and not detrimental to their health. This right is laid down in Article 7 of the International Covenant on Economic, Social and Cultural Rights. The right to a safe and healthy work environment is also enshrined in the International Labour Organization's Convention 155.

Workers' rights and factory building requirements are usually guaranteed in local laws and regulations, although these provisions are not always optimal. Enforcement of local labour law is often poor.

According to the United Nations Guiding Principles on Business and Human Rights adopted in 2011, companies have a responsibility to respect human rights (i.e. also labour rights), across all their business operations, including

#### The problem of sub-contracting by supplier factories

Unsafe factory buildings often go unnoticed by buying companies or corporate social auditors. In fact, sometimes buyers do not actually know where their products are being made. To meet tight deadlines or to be able to complete unanticipated orders, manufacturers sub-contract certain production processes or even shift complete orders to other factories and workplaces, without informing the buyer. In Bangladesh, unauthorised sub-contracting is very common. The sub-contracted factories and workplaces are not part of the buyer's supply chain and thus inspections do not take place there.

at the level of suppliers and subcontractors. According to these internationally accepted principles, companies should act with due diligence to avoid infringing on the rights of others and to address any adverse impacts. Due diligence

is a business process through which enterprises actively identify, prevent, mitigate and account for how they address and manage their potential and actual adverse human rights impacts.

## Unsafe garment factory buildings

# What can buying companies do?

Multiple measures need to be taken at different levels – both by governments, so they can live up to their duty to protect human rights, and by companies so they can fulfil their responsibility to respect labour rights.

## Corporate Social Responsibility (CSR) and due diligence

- Ideally, corporate accountability policies are integrated across business operations and the supply chain. Commitment from the corporate board of the enterprise is crucial. CSR should be integrated into all relevant aspects of company policy and should be incorporated throughout the entire business operations and the supply chain. This way, different corporate divisions – such as the financial department, the CSR division, the sourcing department, etc. – can work together effectively to ensure that human rights are respected across the board.
- As a standard due diligence procedure, buying companies should undertake pre-sourcing human rights risk assessments at a country or regional level.
- Before any orders are placed, a factory-level risk assessment should take place, including a check on the building and fire safety of the factory buildings.
- Buying companies should make sure that enforceable fire and building safety programmes are in force at the factories where their products are made. Key elements of such a programme include:
  - workplace inspections by independent, trained fire safety experts;
  - public reporting of the hazards identified during the inspections;
  - mandatory repairs and renovations;
  - buying companies ceasing to do business with any supplier that refuses to make repairs needed to operate safely;
  - a central role for workers and trade unions, including worker-led safety committees;

- trade unions gaining access to factories to educate workers on rights and safety issues;
- workers not being punished for exercising their right to refuse unsafe work;
- order contracts including sufficient financing and adequate pricing to allow manufacturers to operate in a safe manner, which includes the costs of eliminating deadly hazards;
- a binding contract between the buying company and workers' representatives – so the buying companies have to follow through, even if it means increased costs or longer turnaround times on orders.

## Purchasing practices

The point of departure is that the purchasing practices of buying companies should enable – and not inhibit – safe working conditions at supplier factories. This includes:

- A pricing policy that takes into account the social and environmental quality of sourced products, as well as considering the investment needed for necessary renovations and upgrading of factory buildings.
- Building long-term, stable buyer-supplier relationships.
- Incorporating good production planning, including reasonable supply lead times, predictability of orders and minimising last-minute changes.
- Establishing effective communication between sourcing, financial and design divisions to make sure the consequences of design changes and urgent orders are understood.

## The road to fire and building safety in the Bangladesh garment sector

The [Accord on Fire and Building Safety in Bangladesh](#), developed by Bangladesh and global unions and labour rights organisations, requires independent inspections of supplier factories, public reporting, training and mandatory repairs and renovations. It includes a central role for workers and unions in both the oversight and the implementation of the Accord,

including the establishment of worker-led safety committees. It takes into account the need for supplier contracts with sufficient financing and adequate pricing and a binding contract to make these commitments enforceable. In July 2013, over 70 European and American brands have signed the Accord. Click [here](#) to see a list of companies that have signed up.

## More information

### Reports



**Fatal Fashion** – Analysis of recent factory fires in Pakistan and Bangladesh: a call to protect and respect garment workers' lives, SOMO and Clean Clothes Campaign, March 2013



**Deadly Secrets** – What companies know about dangerous workplaces and why exposing the truth can save workers' lives in Bangladesh and beyond, International Labor Rights Forum, December 2012

### Useful links

- [SOMO](#)
- [Clean Clothes Campaign](#)
- [International Labor Rights Forum](#)
- [IndustriALL](#)
- [UNI Global Union](#)
- [ILO](#)

## Colophon

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