

The Sustainability Compact for the Bangladesh Ready-Made Garment Sector



The collapse of Rana Plaza in April 2013

led to the death of over 1,100 people, the majority of whom were garment workers. This event has drawn international attention to safety and labour rights in Bangladesh's ready-made garment (RMG) sector.

In response, the Compact for Continuous Improvements in Labour Rights and Factory Safety in the Ready-Made Garment and Knitwear Industry in Bangladesh was launched in July 2013. The Compact seeks to improve labour, health and safety conditions for workers, as well as to encourage responsible behaviour by businesses in the RMG industry.

The Sustainability Compact is built on short and long-term commitments related to three inter-linked pillars:

- 1) respect for labour rights
- 2) structural integrity of buildings and occupational safety and health
- 3) responsible business conduct

About the Sustainability Compact

What is the Sustainability Compact?

The Sustainability Compact brings together the Government of Bangladesh, the European Commission, the United States, Canada and the International Labour Organization (ILO) accompanied by employers, trade unions and other key stakeholders to promote continuous improvements in labour rights and factory safety in the ready-made garment (RMG) industry. The Compact is built on short and long-term commitments related to three inter-linked pillars: 1) respect for labour rights; 2) structural integrity of buildings and occupational safety and health; and 3) responsible business conduct.

Why is it important?

The Compact reflects the importance that its partners place on the need to improve working conditions and labour rights in the Bangladesh RMG sector as well as the need for responsible business conduct throughout the supply chain. The Compact commitments are also relevant to preferential access to export markets provided to Bangladesh and ILO Conventions which Bangladesh has ratified as well as the provision of development assistance.

Who is responsible for its implementation?

The Government of Bangladesh is responsible for the implementation of its Compact commitments. The ILO and other Compact partners provide technical assistance in certain areas. Meanwhile, activities supported by various development partners who are not Compact signatories contribute to certain commitments as do brands, retailers and global unions through their engagement in the Accord on Fire and Building Safety in Bangladesh, and the Alliance for Bangladesh Worker Safety.

How is progress monitored and reported?

Progress under the Compact is monitored and reported on a regular basis through various mechanisms. High-level follow up meetings take place on an annual basis in Dhaka or Compact partner headquarters such as Brussels, where progress is discussed. As part of the process, stakeholders including trade unions, employers and civil society groups also take part in a public event. Another channel of monitoring is the Bangladesh-based '3+5+1' group that brings together the secretaries of Commerce, Labour and Foreign Affairs along with the ambassadors of the EU, US and Canada in addition to two other EU member states. ILO provides technical support to this process.

Compact Technical Status Reports

Technical status reports on progress against the Compact commitments have been published in July 2014, April 2015, July 2016, October 2017 and September 2018. The reports can be downloaded at <https://bit.ly/2sT1ql1>

Who are the Compact partners?



Canada



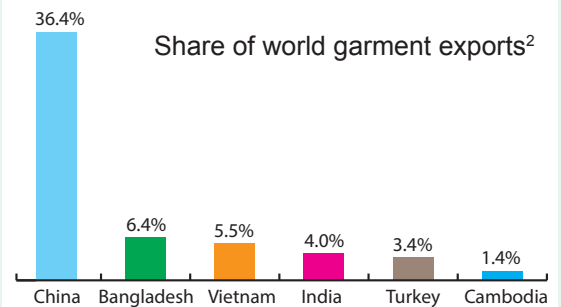
The Sustainability Compact brings together Bangladesh, the European Commission, United States, Canada and International Labour Organization.

About the Bangladesh ready-made garment industry

Bangladesh is the world's 2nd largest exporter of garments



Global exports of garments totalled \$441 billion in 2017 of which Bangladesh enjoyed a **6.4%** share making it the world's 2nd largest exporter after China.¹



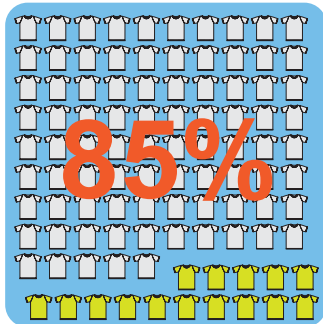
There are **4,608** garment factories in Bangladesh³



Most are located in **Dhaka** and **Chattogram**



They employ close to **4 million** workers some **60%** are women

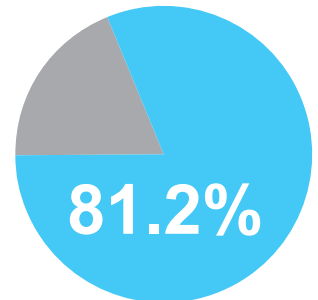


85% of Bangladesh garment exports go to the Compact partners⁴

Exports from the Bangladesh garment industry totalled **\$30.61 billion** in 2017-18⁵



Garment exports accounted for **81.2%** of Bangladesh export earnings in 2016-17⁶



\$17.75bn

63%

EU



\$5.2bn

18%

USA



\$946mn

3%

Canada

Data source:
1 & 2 WTO, 3 DIFE, 4 to 6 BGMEA

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Sustainability Compact Project

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