

# To Create a Better Everyday Life for Some People:

## *A Survey of Home Textile Workers in Bangladesh*



February 2020

**W R C**

WORKER RIGHTS  
CONSORTIUM

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## I. Executive Summary

Over the past two decades Bangladesh has established itself as a key manufacturer in the global garment industry. Virtually every major clothing brand and retailer sources apparel from the country, making the garment industry the single largest employer in Bangladesh. While the country's garment sector has become inextricably associated with clothing sold by major brands and retailers, including Zara, H&M, Walmart, and others, what is less visible to consumers is that many of these same brands also source other everyday items from the country, including towels, bedding, and other home textiles.

While these major brands have, due in large part to international public pressure, been compelled to take action to address worker rights violations in the factories supplying their apparel, much less attention has been given to conditions in the factories producing their home textiles. Few research studies on labor conditions in such factories, particularly studies involving interviews with home textile factory workers, have been published. The purpose of the Worker Rights Consortium's (WRC) investigation, whose findings are detailed in this report, is to help fill this gap and to test the supply chain labor standards of the brands that are driving the growth of Bangladesh's home textile industry against the actual conditions of workers in the factories that produce these goods.

Between February and July 2019, the WRC conducted interviews with workers from three home textile factories in Bangladesh that are current or recent producers of home textiles for IKEA and other global brands and retailers. These factories are located in different parts of Bangladesh and employ workforces that range in size from several hundred to several thousand employees.

The following factories were surveyed for this report:

- Karupannya Rangpur Ltd. ("Karupannya") is a factory housed in a seven-story building in the city of Rangpur in northern Bangladesh. The factory building, which is well known for its spacious and green architecture<sup>1</sup> employs nearly 5,000 workers and produces cotton rugs, floor mats, placemats, and other home textiles.<sup>2</sup> According to online sources and worker interviews, at the time of writing, the factory produced for IKEA and Rugs USA.
- 1888 Mills operates three factories located inside an export processing zone (EPZ) in Chittagong, Bangladesh's major port city. These factories are named Qualitex Industries (BD) Ltd. ("Qualitex"), Crown Mills (BD) Ltd. ("Crown"), Premier Industries (BD) Ltd. ("Premier"). All three factories are involved in the production of towels. According to 1888 Mills, it received a "Best Supplier" award from IKEA four times between 2005 and 2010, as well as "Vendor of the 3rd Quarter" and "Supplier of the Year, Home Division" awards from Walmart three times between 2007 and 2012.<sup>3</sup> At the time of the WRC's investigation of

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<sup>1</sup> Naila Binte Zakaria, "A Green Workplace-Karupannya Factory," *Showcase Magazine*, March 28, 2019, <http://www.showcase.com.bd/2019/03/28/a-green-workspace-karupannya-factory/>.

<sup>2</sup> Md Fazlur Rahman, "From rugs to riches," *The Daily Star*, July 26, 2015, <https://www.thedailystar.net/frontpage/rugs-riches-116767>.

<sup>3</sup> Mohammed Imtiaz Chowdhury, "Qualitex Company Profile," February 5, 2014, <https://www.slideshare.net/mohammedimtiazchowdh/qualitex-profile-05feb2014>.

these factories in 2019, 1888 Mills continued to produce for IKEA and Walmart, as well as Monarch Brands, a major US supplier of textiles to the hospitality industry.

- Unilliance Textiles Limited (“Unilliance”), which, until November 2019, occupied a two-story factory building and three associated single-story sheds. During the period when the research discussed in this report was conducted, the factory employed an estimated 600 workers. According to workers, the factory, which produced duvet covers, curtains, and bed sheets for buyers who included the British retailer, Sainsbury’s, closed in November 2019 due to a decline in these orders. The WRC found no evidence to suggest that buyers’ decisions to cease doing business with this factory were related to the factory’s labor practices or that those practices were unrepresentative of those that generally prevail in the Bangladeshi home textiles sector.

Workers interviewed for this report revealed violations of Bangladeshi labor law and brands’ codes of conduct related to building safety, payment of wages, working hours, freedom of association, and abuse. Notably, workers in all three factories consistently and specifically described their factories’ failure to provide and maintain safe means of egress from the production areas. Coupled with the pervasiveness of fires leading to mass fatality disasters in Bangladeshi factories, the fire safety hazards identified in these factories creates an ever present fear amongst workers that they must risk their lives every day to make a living. Additionally, because the home textile industry in Bangladesh remains virtually unregulated, workers have little to no means to advocate for themselves or seek recourse when their legal rights are violated by their employers.



	Karupannya	1888 Mills	Unilliance
Health and Safety	Fire Safety	•	•
	Excessive Ambient Heat Levels	•	•
	Inadequate Ventilation	•	•
Wage & Hour Violations	Mandatory Overtime	•	•
	Excessive Working Hours	•	•
	Failure to Provide Meal Break	•	•
	Unpaid Overtime	•	•
	Delayed Payment of Wages	•	•
Statutory Benefits	Denial of Leaves	•	•
	Failure to Provide Maternity Benefits	•	•
Freedom of Association	Fear of Retaliation	•	•
	Retaliatory Firings	•	•
Harassment and Abuse	Sexual Harassment	•	•
	Verbal Abuse	•	•
	Physical Abuse	•	•

Table 1 displays the labor rights violations reported by workers.

The fact that the WRC’s investigation, whose results are summarized on this chart and discussed in detail in the body of this document, did not yield findings of violations in certain areas of the factories’ labor practices should not be construed as a certification of these factories’ overall compliance with respect to its practices in those general areas. In particular, it should be noted that, since these factories, unlike many garment manufacturers, are not subject to the type of labor code standards which would require them to provide the WRC with access to their facilities,<sup>4</sup> the WRC’s assessments in this case did not include onsite inspections, which could have included a comprehensive health and safety inspection of the factory by a certified industrial hygienist or building safety inspections by fire, electrical, and structural safety engineers. Therefore, it should be emphasized that no inferences should be drawn from this report as to the compliance of these factories with those aspects of occupational health and safety and building safety that only such specialists are accredited to certify.

In February 2020, the WRC shared the report with all three factory groups surveyed for this report and received no response. The WRC also sent the report to major brands identified as sourcing from the factories named in this report. In its response to the WRC, Sainsbury’s stated:

<sup>4</sup> For example, “Licensee shall cooperate with CLC, the Collegiate Institutions and/or their agents or representatives in periodic inspections of Licensee’s factory sites to ensure that Licensee is in compliance with such Code of Conduct requirements.” Collegiate Licensing Company, “Special Agreement on Labor Codes of Conduct,” 2016.

*We have dedicated teams in the UK, China, India and Bangladesh who ensure these standards are upheld through regular visits and independent audits. If any concerns are identified, we prioritise supporting suppliers in addressing these and driving improvements.*<sup>5</sup>

IKEA stated:

*We trust that our IWAY process is effective and robust. However, no process is so good that it can't be improved. We will take the findings of the WRC's report with us in follow-ups with our suppliers to make sure the requirements of compliance are met.*<sup>6</sup>

The brands did not dispute the findings revealed in the report but, instead, only reiterated their companies' policies with regards to supply chain relations and labor rights.

## **II. Background**

### **A. Bangladesh's Home Textile Industry**

Unlike most factories that the WRC investigates, which produce garments, the factories surveyed for this report produce home textiles, such as rugs, bed linens, and towels. Bangladesh's ready-made garment (RMG) sector is the country's most significant export industry, accounting for 80.7 percent of its total export earnings and 12.36 percent its gross domestic product (GDP).

However, production of home textiles also plays a significant role in Bangladesh's exports. In 2017, Bangladesh's home textile industry exported US\$878.68 million worth of goods and grew at an annual rate of 9.95 percent.<sup>7</sup> The growth of the home textile industry is due in part to Bangladesh's massive production of RMG, the scraps of which (colloquially called *jhut* cloth) are, along with other cotton waste, actually key inputs in the production of the yarn used in many home textiles.<sup>8</sup> In fact, many of the same brands sourcing garments from Bangladesh, such as Zara and Marks & Spencer, also source home textiles from the country. In spite of this fact, the country's home textile industry, and the conditions of those workers it employs, has been largely overlooked by labor researchers and policy advocates.

The industry's main employer association, the Bangladesh Terry Towel and Linen Manufacturers and Exporters Association (BTTLMEA), represents 110 factories, which account for the large majority of home textile factories in the country that are producing for export,

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<sup>5</sup> Joanna Baker (Ethical Trade Lead, Sainsbury's), Worker Rights Consortium Report re Home Textiles (Bangladesh), February 14, 2020, on file with the WRC.

<sup>6</sup> IKEA of Sweden AB, Response 2020\_02\_25, February 25, 2020, on file with the WRC.

<sup>7</sup> Ibrahim Hossain Ovi, "RMG exports saw 8.76% growth last fiscal year," July 5, 2018, *Dhaka Tribune*, <https://www.dhakatribune.com/business/2018/07/05/rmg-exports-saw-8-76-growth-last-fiscal-year>.

<sup>8</sup> Monira Munni, "Raw materials shortage hits home textile, terry towel industry" *The Financial Express*, <https://thefinancialexpress.com.bd/economy/raw-materials-shortage-hits-home-textile-terry-towel-industry-1510547675>.

including two of the three factory groups surveyed for this report. According to the BTTLMEA, these factories employ between 45,500<sup>9</sup> and 65,000 workers.<sup>10</sup>

## **B. Legal Environment for Worker Rights and Safety in Bangladesh**

### **1. Labor Laws**

Most workers in the country who are employed outside of an export processing zone (EPZ) are covered by the Bangladesh Labour Act of 2006 (BLA), which was amended in 2015 and 2018. Workers at the Karupannya and Unilliance factories, which are housed outside of an EPZ, are covered by this law.

Workers employed in Bangladesh's EPZ, however, including the employees at the 1888 Mills factories, are *not* covered by the BLA.<sup>11</sup> Working conditions and labor practices in factories located inside EPZs are, except where noted herein, governed by laws and regulations that apply specifically to these zones, most importantly, the Bangladesh EPZ Labour Act, 2019 (EPZ Labour Act).

Authority to administer and enforce these regulations is vested in the Bangladesh Export Processing Zones Authority (BEPZA), a governmental agency directly responsible to the Prime Minister's Office, rather than in the country's labor ministry. On issues where the EPZ Labour Act is silent, however, the BEPZA typically applies the standards articulated in the BLA.

In general, workers employed in EPZs are granted fewer rights under the law than workers employed in the formal sector outside EPZs. However, workers in EPZs are entitled to a slightly higher minimum wage. As discussed later this report, the EPZ Labour Act restricts the freedom of association rights of workers in the EPZs in a manner that violates core conventions of the International Labour Organization ("ILO"), a deficiency that has long been criticized by numerous international observers.<sup>12</sup>

### **2. Factory Safety Regulation**

Bangladesh's Department of Inspection for Factories and Establishments (DIFE), which is overseen by the country's Ministry of Labour and Employment, is responsible for ensuring worker safety and health, as well as enforcing other employment standards, throughout Bangladesh. DIFE is responsible for ensuring that the country's 242,000-plus manufacturing units (including those inside the country's EPZs) and two million-plus shops, hotels, construction companies, and commercial health service centers: (1) protect workplace safety regulations,

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<sup>9</sup> Bangladesh Terry Towel and Linen Manufacturers and Exporters Association, "Member Profiles," [www.bttlmea.com.bd](http://www.bttlmea.com.bd).

<sup>10</sup> Monira Munni, "Raw materials shortage hits home textile, terry towel industry" The Financial Express.

<sup>11</sup> There are currently eight EPZs in Bangladesh, housing factories that employ a total of nearly 400,000 workers.

<sup>12</sup> Human Rights Watch, "Bangladesh: Garment Workers' Union Rights Bleak," April 21, 2016, <https://www.hrw.org/news/2016/04/21/bangladesh-garment-workers-union-rights-bleak>.

including with respect to fire safety;<sup>13</sup> (2) comply with the country's labor laws and regulations; and (3) implement the applicable minimum wages for different industrial sectors.<sup>14</sup>

DIFE has a staff of 993 located in 23 district offices to carry out its work. It is generally recognized that, given the extensive range of its duties and vast number of workplaces it is charged with overseeing, the department is under-equipped and cannot effectively and adequately carry out its responsibilities.<sup>15</sup> Significantly, at the time of writing, *none* of the home textile factories surveyed for this report were even listed in DIFE's database of the country's 29,601 registered manufacturing facilities,<sup>16</sup> underscoring the deficiencies of its regulatory apparatus.

#### a. Bangladesh Accord on Fire and Building Safety in Bangladesh

The safety hazards that caused the many well-publicized mass fatality disasters in Bangladesh's garment industry in the 2000s and early 2010s have been well documented. As discussed in greater detail below, however, many of these same hazards are also present in the country's other export manufacturing sectors, including production of home textiles, though, in the latter context, they have been much less researched and reported.

Between 2004 and 2009 alone, fatal factory fires and building collapses in the garment sector killed at least 600 workers in Bangladesh. As a result, long before the Tazreen Fashions fire in 2012 and the Rana Plaza building collapse in 2013, which together killed more than 1,200 workers, apparel brands and retailers were well aware of the poor labor rights and safety environment in Bangladesh and that weak regulation by local authorities increased workers' vulnerability to death and injury.

As a result, by the time of the Tazreen and Rana disasters, many brands and retailers already had been conducting or commissioning their own private inspections of their supplier factories in Bangladesh for many years. Brands' and retailers' private inspection programs were supposed to monitor workplace safety and other categories of labor rights compliance in factories producing their goods. Typically, they have been subject to regular inspections by auditors who measure each factory's practices against the brand's or retailer's labor standards, report those violations of the standards they detected, and recommend corrective measures.

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<sup>13</sup> In the immediate aftermath of the 2013 Rana Plaza disaster, the Bangladesh government established the country's National Tripartite Plan of Action on Fire Safety and Structural Integrity (NTPA) in Bangladesh. One of the purposes of NTPA was to improve the capacity of DIFE. The NTPA program has operated alongside the private Accord on Fire and Building Safety in Bangladesh ("Accord") and the Alliance for Bangladesh Worker Safety ("Alliance") factory inspection programs established by major apparel brands and, in the case of the Accord, worker representatives. The NTPA was largely responsible for inspecting those factories that fell outside of those two private initiatives. Although, like the Accord and Alliance, the NTPA primarily covers RMG factories, it has not maintained the same degree of transparency or required equivalent financial commitments by apparel companies and has not produced comparable rates of remediation of factory hazards.

<sup>14</sup> New Age, "Govt to allow inspection of DIFE in EPZs," May 16, 2018, <http://www.newagebd.net/article/41286/govt-to-allow-inspection-of-dife-in-epzs>.

<sup>15</sup> European Commission, "Implementation of the Bangladesh Compact – Technical Status Report," September 2018, [http://trade.ec.europa.eu/doclib/docs/2018/september/tradoc\\_157426.pdf](http://trade.ec.europa.eu/doclib/docs/2018/september/tradoc_157426.pdf).

<sup>16</sup> <http://lima.dife.gov.bd/public-report/establishment-list>.



As the Tazreen and Rana disasters, as well as other mass-fatality fires and collapses, tragically proved, brands' private inspection programs did not succeed in protecting workers' lives. Nearly every factory where workers were killed in a mass-fatality disaster had previously been inspected, on multiple occasions, by private auditors working for brands and retailers that were customers of the factory.

After the collapse of the Rana Plaza factory building, the largest industrial disaster in the global history of manufacturing, major brands and retailers, facing unprecedented public pressure, joined worker representatives in signing the Accord on Fire and Building Safety in Bangladesh ("Accord"), which is the industry's first legally binding agreement on international supply chain factory safety. In adopting the Accord, brands and retailers recognized that stronger workplace safety measures were essential to bring an end to factory disasters in Bangladesh's garment sector and committed to work with global and Bangladeshi labor unions to achieve this goal.

The Accord's adoption reflected its signatories' recognition that past efforts to address the factory safety crisis in Bangladesh had been unsuccessful and that new approaches were required to safeguard the lives of the millions of workers in the country's garment factories. Under the Accord, all participating factories must be inspected by independent fire, electrical, and structural engineers and correct safety hazards pursuant to their findings. Unlike under other factory safety initiatives in Bangladesh, worker representatives play a central role in the Accord's governance and implementation, and detailed findings of inspections and progress reports on remediation must be publicly disclosed for each factory; signatory brands must ensure financing is available to factories to carry out safety renovations.

Critically, in the factories it covers, which represent a large majority of those exporting from Bangladesh, the Accord has replaced voluntary industry programs with legally binding and enforceable commitments by brands. As a result, the Accord had driven an unprecedented transformation of safety conditions in Bangladesh's garment industry over the past six years. As of January 2019, 90 percent of the 140,000 individual safety hazards that the Accord had identified at the over 1,600 factories covered by the program have been eliminated. Since 2015, there have been no fatalities in factories covered by the Accord due to any of the fire, electrical, or structural safety issues that the Accord's inspection program addresses—a stark contrast to the earlier repeated tragedies that Bangladeshi garment workers had faced during prior years.

To date, more than 200 global brands and retailers have signed the Accord. Some major apparel brands and retailers, however, have refused to do so, including companies like Walmart and Target that are major sellers of both clothing and home textiles.

During its initial five-year term, which ended in 2018, the Accord's coverage was limited to garment factories. However, when the Accord was renewed by its signatories for an additional three years, a provision was added to its governing agreement permitting participating brands and retailers to extend the program's coverage to their supplier factories for home textiles.

As this expansion of the program's scope meant that brands and retailers that do not sell garments, but do sell home textiles, were now eligible to join the Accord, starting in 2018, leading international labor rights advocates, including the European-Union-based Clean Clothes Campaign and their Norwegian coalition, Future In Our Hands, began calling on IKEA and other

home textile companies to sign the Accord.<sup>17</sup> IKEA, however, refused to do so and communicated this privately to the Clean Clothes Campaign,<sup>18</sup> as well as publicly in statements to the media.<sup>19</sup>

The refusal of IKEA, Walmart, Target, and other home textile brands and retailers to join the Accord has meant that safety conditions in Bangladesh's home textile industry are still largely monitored solely by buyers or the factories' themselves. As a result, as the findings discussed in this report show, many of the safety hazards that, before the inception of Accord, were pervasive in Bangladeshi garment factories are still prevalent and continue to endanger workers in the country's home textile sector.

## b. Background on Restriction of Freedom of Association in Bangladesh

Under Bangladeshi law, workers employed outside of EPZs have the right to form and join trade unions in order to advocate for improved labor conditions.<sup>20</sup> In factories where a union is not present and the workforce is comprised of more than 50 employees, the law requires employers to establish "participation committees",<sup>21</sup> the purpose of which is to "develop [a] sense of belonging to the establishment among the workers and employers and to [make] aware the workers of their commitments and responsibilities to the establishment."<sup>22</sup>

Despite the fact that Bangladeshi law formally provides for the exercise of freedom of association, workers in Bangladesh often fear to exercise this right, on account of well-justified concerns regarding retaliation by employers and/or the government. In recent years, moreover, these fears have been exacerbated by repeated crackdowns on trade union activities and other labor rights advocacy by police and other government agencies.<sup>23</sup>

Furthermore, the EPZ Labour Act restricts, rather than protects, freedom of association for workers in factories located in these areas. Indeed, the EPZ Labour Act explicitly prohibits workers in EPZs from forming trade unions and instead only permits "Worker Welfare Associations" (WWAs), a form of labor organization specific to the EPZs, which are forbidden from engaging in many of the associational activities of trade unions. For example, unlike trade

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<sup>17</sup> Clean Clothes Campaign, "Clean Clothes Campaign starts week of action to urge brands to sign the 2018 Bangladesh Accord," April 18, 2018, <https://cleanclothes.org/news/2018/04/17/clean-clothes-campaign-starts-week-of-action-to-urge-brands-to-sign-the-2018-bangladesh-accord> and Framtiden i våre hender, "IKEA må signere sikkerhetsavtale for tekstilfabrikker," March 7, 2018, <https://www.framtiden.no/201803077270/aktuelt/levelonn/%E2%80%93ikea-ma-signere-sikkerhetsavtale-for-tekstilfabrikker.html>.

<sup>18</sup> Framtiden i våre hender, "Work to make Bangladeshi factories safe continues, but IKEA refuses to join," June 1, 2018, <https://www.framtiden.no/english/work-to-make-bangladeshi-factories-safe-continues-but-ikea-refuses-to-join.html>.

<sup>19</sup> Marit Kolberg, "Internasjonal sikkerhetsavtale uten Ikea, fem år etter katastrofen i Bangladesh" NRK, <https://www.nrk.no/urix/internasjonal-sikkerhetsavtale-uten-ikea-fem-ar-etter-katastrofen-i-bangladesh-1.14019719>.

<sup>20</sup> Bangladesh Labour Act (BLA), 2006, Article 202.

<sup>21</sup> BLA, Article 205.

<sup>22</sup> BLA, Article 206.

<sup>23</sup> Human Rights Watch, "Bangladesh: Investigate Dismissals of Protesting Workers," March 5, 2019, <https://www.hrw.org/news/2019/03/05/bangladesh-investigate-dismissals-protesting-workers>.

unions, WWAs are not allowed to associate with political parties or nongovernmental organizations (NGOs),<sup>24</sup> including organizations that provide labor rights education to workers in Bangladeshi factories that are outside of the EPZs.

### **III. Methodology**

#### **A. Sources of Evidence**

Between February and July 2019, the WRC carried out interviews with 40 home textile workers (including at least 10 each from factories operated by Karupannya, 1888 Mills, and Unilliance). As most of these workers were interviewed at least once and some were interviewed three times, approximately 100 interviews in total were conducted for this report. The findings detailed in the report are based on detailed and mutually corroborating worker testimony.

The workers whom the WRC interviewed ranged in age from 24 to 55 years old. They occupied various positions in the factories, including jobs in the plants' power loom, sewing, label making, finishing, weaving, and dyeing sections.

In keeping with best practice for factory labor rights assessments, the WRC interviewed workers in locations away from the factory premises where employees were free to speak about working conditions at the facility with less fear of retaliation by the factory's management. The interviews included, wherever possible, a review of workers' written pay statements that they received from the factories where they were employed.

#### **B. Buyer-Supplier Relationships**

Unlike in the global apparel industry, where, due to nearly two decades of persistent engagement by labor rights advocates, it is increasingly prevalent that brands and retailers publish the names and locations of their supplier factories for garments,<sup>25</sup> few companies publicly disclose their suppliers of home textiles. Moreover, unlike many garment factories, the home textile factories discussed in this report do not publicly disclose the brands and retailers that are their customers. Nevertheless, the WRC was able to identify brands and retailers that source from the factories discussed in this report through US Customs data on seaborne shipments to the United States from Bangladesh.<sup>26</sup>

#### **C. Terms of Reference**

For this report, the WRC assessed factories' working conditions in relation to their obligations to employees under Bangladeshi labor laws and regulations, international labor standards, and the

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<sup>24</sup> EPZ Labour Act, 2019, Chapter 16, section 178(2).

<sup>25</sup> Transparency Pledge Coalition, "Fashion's Next Trend: Accelerating Supply Chain Transparency in the Garment and Footwear Industry," 2019, [https://cleanclothes.org/file-repository/garment\\_industry\\_brochure\\_dec\\_2019-1.pdf/view](https://cleanclothes.org/file-repository/garment_industry_brochure_dec_2019-1.pdf/view).

<sup>26</sup> Such records are commercially available through a number of proprietary database services. See, for example, ImportGenius, <https://www.importgenius.com/>.

vendor codes of conduct of the brands for which these factories manufacture home textile products. These terms of reference include:

- The Bangladesh Labour Act, 2006;
- Bangladesh Labour Rules, 2015;
- The Bangladesh Export Processing Zones Authority Act, 1980;
- Bangladesh EPZ Labour Act, 2019;
- Bangladesh National Building Code, 2015;
- Conventions of the International Labour Organization (ILO) that the country's government has ratified;<sup>27</sup>
- IKEA Code of Vendor Conduct;<sup>28</sup> and
- Sainsbury's Supplier Policy on Ethical Trade.<sup>29</sup>

#### **IV. Findings and Observations**

##### **A. Findings on Wages and Living Conditions**

Bangladesh is a desirable sourcing location for international brands primarily due to the rock-bottom prices made possible by the country's low labor costs. These low prices come at a human cost for workers—for example, employees across the country's manufacturing industries consistently report their wages are insufficient to meet their families' basic needs. This section discusses not only the wage practices of each of the factories surveyed for this report but also their consequences for the lives of workers and their families.

###### **1. Wages**

In Bangladesh, the national government establishes legal minimum wages for workers in each industry, according to recommendations by sectoral tripartite wage boards consisting of representatives from labor, government, and employers.<sup>30</sup> For factories located outside of EPZs, a worker's minimum wage is based not only on their skill level and position in the factory but also the type of administrative area in which the factory is physically located (see Table 2).<sup>31</sup>

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<sup>27</sup> Bangladesh has ratified 35 Conventions of the ILO, of which 33 concern labor rights and working conditions (the remaining two address government employment policy and labor ministry administration). Seven of these 33 are the ILO's "Fundamental Conventions": Conventions 87 ("Freedom of Association and Protection of the Right to Organise"), 98 (Right to Organise and Collective Bargaining), 29 (Forced Labour), 105 (Abolition of Forced Labour), 182 (Worst Forms of Child Labour), 100 (Equal Remuneration), and 111 (Discrimination (Employment and Occupation)). The remaining 26 are "Technical Conventions".

<sup>28</sup> IKEA, "IWAY Standard," June 4, 2008,

[https://www.ikea.com/ms/ar\\_AE/about\\_ikea/our\\_responsibility/iway/index.html](https://www.ikea.com/ms/ar_AE/about_ikea/our_responsibility/iway/index.html).

<sup>29</sup> Sainsbury's Supermarkets Ltd., "Supplier Policy on Ethical Trade – Sainsbury's Brand," May 12, 2017,

[https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/making-a-difference/SP003%20Supplier%20Policy%20on%20Ethical%20Trade\\_External.pdf](https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/making-a-difference/SP003%20Supplier%20Policy%20on%20Ethical%20Trade_External.pdf).

<sup>30</sup> BLA, Article 138.

<sup>31</sup> The wage board classifies the areas where factories are located in three categories: (i) "divisional cities", (ii) "zila [i.e., district] towns", and (iii) "upazila [i.e., subdistrict] towns or villages". Divisional cities are the largest city in each of Bangladesh's seven administrative divisions, each of which is akin to a state capital. 1888 Mills is located in the divisional city of Chittagong (although is excluded from the wage board as it located in an EPZ), and Karupannya is located in the divisional city of Rangpur (also excluded from the industry's wage board). "Zila



Minimum wages for workers at factories located inside EPZs are set separately by the government.

The majority of Bangladeshi factories producing home textiles for export are classified for the purpose of minimum-wage setting within the cotton textile industrial sector, for which the minimum wage scale was last adjusted in May 2018. The lowest minimum wage in this sector (for all grades and geographical locations) is 5,710 Bangladeshi taka (BDT) per month (USD 67).<sup>32</sup> The lowest minimum monthly wage for *apprentice* workers in EPZs was set in November 2018 at BDT 6,250 (USD 74).

<b>Job Classifications</b>	<b>Upazila Town or Village</b> (category included Unilliance)	<b>Divisional City</b> (category would include Karupannya, but for an exemption, see page 13)	<b>EPZ's</b> (category includes 1888 Mills factories)
<b>Helpers</b>	5,710	7,170	8,200
<b>Operators</b>	7,924	9,958	9,550
<b>Senior Operator</b>	8,275	10,400	10,0000

Table 2: Selected Monthly Minimum Wage Categories for Home Textile Workers by Job Classification (rows) and Administrative Division (columns).

Wages for workers employed at Unilliance, which was located in an *upazila*, the administrative division with the lowest minimum wages, ranged, before the factory's closure, from BDT 5,710 to 8,275. The minimum monthly home pay for 1888 Mills employees interviewed for this report, whose factories are located in one of the country's EPZs and therefore fall under the latter's separate minimum wage scale, is BDT 8,200 (USD 97). As a result, the wages paid by both employers complied, at the time the WRC assessed this issue, with the applicable legal standard. However, the third home textile employer whose factory was assessed in this report, Karupannya, is, due to a rather questionable regulatory exemption, not subject to *any* minimum wage scale, even though, based on the type of administrative division in which it is located, a "divisional city", it would otherwise be required to pay higher minimum wages than the other two employers. Unlike Unilliance and 1888 Mills, however, Karupannya is classified, for purposes of workplace regulation, as being under the oversight of the government agency which originally established the venture, the Bangladesh Small and Cottage Industries Corporation (BSCIC).

Even though Karupannya has now been under private management for nearly 30 years, the BSCIC has not set a minimum wage which the factory is required to pay to its workers. In an interview with the WRC, Moslehuddin Ahmed, the public relations officer for the BSCIC, stated that the reason there is no minimum wage that these workers are required to be paid is that the

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towns" and "upazila towns and villages" are administrative districts and subdistricts, respectively, of each of the seven divisions. Unilliance is located in a *upazila* village.

<sup>32</sup> Government gazette S.R.O. number 116 published by the Department of Labour, May 3, 2018, [https://www.dpp.gov.bd/upload\\_file/gazettes/25848\\_62799.pdf](https://www.dpp.gov.bd/upload_file/gazettes/25848_62799.pdf).

small and cottage industries sector that BSCIC is responsible for includes “many different types of companies, [so] the companies themselves decide what to pay its workers.”

The WRC notes that Karupannya currently employs nearly 5,000 workers in a modern factory building located in one of Bangladesh’s largest cities and so hardly qualifies at present as a “small” or “cottage” enterprise to which a wholesale exemption from the minimum wage might seem appropriate. As a result, the company’s ongoing exemption from minimum wage regulation appears highly questionable.

According to workers, most of Karupannya’s labor force is paid according to a system where a significant portion of their wages is calculated according to piece-rates; in other words, employees are paid this portion of their wages based on their individual output and not according to the amount of time they work. Ordinarily, under Bangladeshi law, even when an employer pays workers according to piece rates, the employer is still responsible for ensuring that the worker, regardless of their output, receives no less than the legal minimum wage.<sup>33</sup> The government’s effective exemption of Karupannya from the legal minimum wage has enabled the company to pay workers less than the minimum wage legally required for workers employed in home textile factories that, like Karupannya, are located in “divisional cities”, where minimum wage rates are highest.

Karupannya’s management has informed workers that, if the factory does not operate in any given month, workers will be paid a minimum monthly wage, which, in the case of some workers, is reportedly as low as BDT 2,500 (USD 29.66) per month—barely one-third of the lowest legal minimum wage for workers in other home textile factories located in “divisional cities”, which is BDT 7,170 (USD 83.74).

Workers report that, because the factory is generally in continuous operation, they rarely receive only the company-set minimum wage of BDT 2,500 (USD 29.66) per month. However, even when working fulltime, for 10 or more hours per day, some Karupannya employees still do not receive a salary that is equal (or even near) the industry’s minimum wage. Workers at Karupannya who were interviewed by the WRC reported receiving monthly wages, for fulltime work (including at least two hours of overtime for 22 days of the month), that are as low as BDT 6,099 (USD 72), which is 15 percent below the lowest legal minimum wage for other home textile factories located in “divisional cities”, BDT 7,170 (USD 83.74).

## 2. Living Conditions

Factories in Bangladesh are required to provide workers with a housing allowance, as an element of the minimum wage legally mandated by the tripartite wage boards. Workers interviewed by the WRC for this report indicated that the housing allowances their employers pay them—and their wages in general—are insufficient to provide with them with minimally decent living conditions.

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<sup>33</sup> BLA, Article 6 (d).

#### a. Karupannya

In the case of the Karupannya factory, the employees whom the WRC interviewed for this report are internal migrants who have left their home villages in rural areas of Bangladesh, where their families continue to reside, to work in Rangpur, the city where the factory is located.

The WRC found that the housing allowance that Karupannya provides to its workers, which amounts to USD 9 per month, merely permits workers to rent *a portion of a shared bed* in communal living quarters that they share with other workers. The workers' living quarters that the WRC visited are housed in a single-story structure assembled from corrugated tin sheets, in which nearly an estimated 60 workers live. The beds where workers sleep, of which there are three or four to each room, depending on the latter's size, are made of wooden planks (locally called *chauki*) and sit directly adjacent to each other, with very little space in between, making for extremely cramped conditions.

Each of the beds in these rooms is shared by three to five workers, depending on the bed's size (Figure 1 and 3). One of the rooms is equipped with a communal sink which is shared among all 60 workers for drinking, cooking, washing-up, and laundry. The WRC observed that, to maximize the number of tenants, the landlord for this structure placed three beds inside this kitchen area. The 60 workers also share use of a water pump next to the structure for bathing (Figure 2).

The rent that the structure's landlord charges workers for shared space in one of the beds in this structure ranges from BDT 400 (USD 4.71) to BDT 700 (USD 8.25) per month depending on the size of the room and number of other workers occupying it. Workers also share the cost of food, which averages an additional BDT 2,125 (USD 25) each per month. According to workers, they strive to minimize their living expenses so that they can maximize the amount of money that they are able to send home to their families.



Figure 1: Karupannya workers rest in their shared living quarters.



Figure 3: Karupannya workers' shared living quarters.



Figure 2: Karupannya workers' bathing area.



#### b. 1888 Mills

Workers employed in factories operated by 1888 Mills, in the port city of Chittagong, live in similarly deplorable conditions. For example, the WRC observed three workers employed at Premier sharing an eight-foot-by-eight-foot room, for which they jointly paid a monthly rent of BDT 3,500 (USD 41), in a compound that also includes six other rooms, each of which houses three other workers. The 21 workers living in the compound share a single kitchen equipped with two gas burners (Figure 4).

Beside the bedrooms is an open space for bathing, with two faucets for washing (Figure 5). The WRC observed extensive mold growth on the walls of this area. Finally, the 21 workers also share two toilets, which are located in a different room, and are also poorly maintained. (Figure 6).

While each of these workers receives a BDT 3,668 (USD 43) monthly housing allowance from the factory where they work, the workers try to save a portion of these funds to assist their families. Workers' inability to afford minimally decent lodgings for themselves, while also sending money home to assist their families, is a reflection of the extremely low wages pervasive throughout Bangladesh's home textile industry.



Figure 4: Qualitex workers' cooking area.



Figure 6: Qualitex workers' sink area, used for bathing.

IKEA and other major home textile companies claim that their purchasing practices have a positive impact on the lives of workers in their supply chains. For example, IKEA's code of conduct, IWAY, says that the company aims to "have an overall positive impact on people and the environment."<sup>34</sup>



Figure 5: Qualitex workers' bathroom.

Workers interviewed for this report, however, consistently testified that the wages they received from factories that were IKEA suppliers were insufficient to enable the workers to afford decent housing (i.e., dwellings with separate and hygienic areas for washing and eating) for either themselves or their families. While IKEA's suppliers may not violate Bangladeshi laws by paying such low wages, the living conditions of the workers in their factories belie IKEA's claims with respect to its impact on the lives of the workers who make their products.

## B. Findings by Factory

The subsections below detail the WRC's findings with respect to working conditions and labor practices at the three factories surveyed for this report that violate Bangladeshi labor laws, international labor standards, and/or relevant brands and retailers' vendor codes of conduct. As stated above, workers at Karupannya and Unilliance are covered by the BLA. Because 1888 Mills is located within an EPZ, it is not subject to the BLA, and its workers are, instead, covered by the EPZ Labour Act.

### 1. Karupannya

#### a. Health and Safety

##### i. Fire Safety Hazards

<sup>34</sup> IKEA, "IWAY Standard."

### *Inadequate Emergency Exits*

Ensuring that workers can safely escape from a factory building in case of fire requires that the structure be equipped with emergency exit routes that are fully enclosed and separated with fireproof materials from the rest of the structure. In particular, emergency exit stairways must be kept separate from production areas to prevent, in case of a fire, their obstruction by smoke, as well as exposure of workers to inhalation hazards, should such smoke travel between the structure's floors.

Ensuring such separation of emergency exit routes requires, among other measures, installation of fire-rated doors that are kept closed (and unlocked) at all times. Bangladesh's National Building Code 2015 mandates, in buildings taller than two stories, separation of exit stairways by requiring that each floor of a multi-story structure have an "[enclosed] protected area of one hour fire resistance."<sup>35</sup>

Karupannya is housed in a seven-story building, within a gated compound. The building is equipped with three stairways, two of which are located on the building's exterior and are accessible from each floor through doors which are kept closed, and unlocked, during the workday.

In addition to these exterior staircases, the factory is also equipped with a ramp for moving boxes and other materials, which is fixed to the side of the building, opening directly onto each production floor. As a result, this ramp is not separated from the production floors. Finally, a third stairway located inside of the building opens onto each production floor without being separated by fire doors. As a result, in the event of a fire, smoke and fire could spread between the floors via either this third stairway or the ramp, resulting in a significant safety hazard.

### *Improper Safety Training*

The most critical element to fire safety is workers' ability to exit safely as soon as a fire is identified. While fire doors help prevent the spread of smoke and fire and allow workers to exit factories safely in event of an emergency, they will only be fully effective if the factory management properly trains workers in safe practices for responding to such events.

Both Bangladeshi law<sup>36</sup> and international standards specifically mandate that employers and supervisors should implement all reasonable precautions to protect the health and safety of workers.<sup>37</sup> Such precautions include training workers on safe emergency procedures. Workers at Karupannya reported, however, that during the fire safety trainings the company provides, they have been instructed that, as one worker related,

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<sup>35</sup> "All exit corridors or passages shall have a fire resistance rating of 1 hour or more as per provisions of this Code." Bangladesh National Building Code 2015, Chapter 3, Section 7.4.

<sup>36</sup> "Every worker shall be made aware of the hazards of work through training in order to ensure the protection and safety of his professional health in the place of work." BLA, Article 78(A) (3).

<sup>37</sup> International Finance Corporation, "Environmental, Health, and Safety (EHS) Guidelines: Occupational Health and Safety," <https://www.ifc.org/wps/wcm/connect/1d19c1ab-3ef8-42d4-bd6b-cb79648af3fe/2%2BOccupational%2BHealth%2Band%2BSafety.pdf?MOD=AJPERES&CVID=ls62x8l>.

If there is a fire, I am supposed to take out a fire extinguisher [at least one of which is kept on every floor] and fight the fire. If the fire cannot be controlled, we are supposed to press the fire alarm switch and notify the rest of the workers. The switch, when pressed turns on the fire alarms located on all floors [of the factory building].

According to employees, those workers who are not designated to fight fires have been directed by the company to evacuate the building in case of a fire.

Workers reported that small fires regularly break out in the factory. One worker told the WRC, “I work with a jute cutting machine. While cutting off the ends of the jute fiber, dust [from the fiber] gets stuck in the cables [i.e., electrical wiring], and they short-circuit which causes small fires. I routinely have to put out these fires.” Another worker expressed fear concerning the frequency of such incidents, saying, “We wish our machines did not catch fire so often.”

Although Bangladeshi law does not speak specifically to proper procedures for fighting fires in workplaces, it is widely recognized that, except in the very early stage of a fire—when it has not spread and can be quickly doused with a fire extinguisher—it is not appropriate for ordinary factory workers to be expected to act as firefighters.<sup>38</sup> Furthermore, the Accord’s initial safety training explicitly directs workers *not to fight fires* but instead evacuate the building immediately.<sup>39</sup> The dangers inherent in instructing ordinary workers to fight factory fires was tragically demonstrated in an incident at the Aswad Composite Mills factory in Bangladesh in October 2013, when seven employees lost their lives trying to fight a fire that had started in their workplace.<sup>40</sup>

The only legitimate exceptions to this principle are in the case of those factories where workers have been given extensive professional training in firefighting and have access to the type of equipment used by professional firefighters (including self-contained breathing apparatuses). Karupannya workers consistently and specifically testified to the WRC that no employees at the factory have been given this degree of training or type of equipment. While Karupannya’s practice of training workers to attempt to fight fires themselves does not explicitly violate Bangladeshi law, it reveals the outdated and dangerous workplace safety practices that persist in the country’s home textile factories.

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<sup>38</sup> “Small fires can often be put out quickly by a well-trained employee with a portable fire extinguisher. However, to do this safely, the employee must understand the use and limitation of a portable fire extinguisher and the hazards associated with fighting fires.” Occupational Safety and Health Administration, “Fight or Flee?,” [https://www.osha.gov/SLTC/etools/evacuation/portable\\_relation.html](https://www.osha.gov/SLTC/etools/evacuation/portable_relation.html).

<sup>39</sup> “You are not a fire fighter! When you hear the fire alarm, do not try to fight the fire. Do not try to put out the fire.” Accord on Fire and Building Safety in Bangladesh, “Safe Evacuation & Safety Hazards,” <https://admin.bangladeshaccord.org/wp-content/uploads/2018/08/Safe-Evacuation-and-Safety-Hazards-in-Ready-Made-Garment-Factories-EN.pdf>.

<sup>40</sup> Sarah Butler, Jason Burke, and Saad Hammadi, *The Guardian*, “Burned down Aswad factory slipped through new safety net,” October 9, 2013, <https://www.theguardian.com/world/2013/oct/09/bangladesh-aswad-factory-safety-net>.



## ii. Excessive Temperatures

Though Bangladeshi law does not establish specific maximum temperatures that are permitted in workplaces, it imposes a general requirement that “the temperature of each working room of the firm should be kept in a tolerable limit.”<sup>41</sup>

Karupannya employees interviewed by the WRC unanimously reported that temperatures throughout the factory are uncomfortably high. One worker stated, “When the summer comes around, you [are]n’t be able to stand the smell of sweat on the floor.”

Workers related that male workers often work shirtless during the hotter five months of the year (May through September), when daily average high temperatures exceed 89 degrees Fahrenheit (32 degrees Celsius),<sup>42</sup> and daily average relative humidity levels reach 75 percent.<sup>43</sup> As a result, without measures to reduce heat and humidity levels in the workplace below ambient outdoor levels, the prevailing heat index in a factory, which is a function of both temperature and relative humidity, can reach, on an average daily basis, 106 degrees Fahrenheit (41 degrees Celsius) a level which, according to occupational safety experts, qualifies as posing “danger” (the second-highest warning level, after “extreme danger”) to workers’ health.<sup>44</sup>

Employees at Karupannya clearly are negatively affected by these temperatures, since they report having repeatedly asked the factory’s management to take measures to moderate the heat levels in their workplace. One worker told the WRC, “We keep asking them [management] to install air conditioners since they claim that they cannot install fans, and they keep telling us to be patient.”

Unfortunately, Karupannya’s management appears to have refused to take steps to reduce the temperature in its factory. Another worker stated, “The management says that this is a green building, so they don’t want to install fans or air-conditioners [which would use additional electricity]. [But] production [s]upervisors get a stand[ing] fan and the office staff get ceiling fans.... They can at least install fans [for the workers, too]!” Karupannya’s failure to ensure that the factory stays at a tolerable temperature for workers’ health and comfort violates Bangladesh labor regulations and IKEA’s code of conduct.<sup>45</sup>

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<sup>41</sup> Bangladesh Labour Rules 2015, Article 45.

<sup>42</sup> Climate-Data.org, “Rangpur Climate,” <https://en.climate-data.org/asia/bangladesh/rangpur-division/rangpur-4997/>.

<sup>43</sup> World Weather Online, “Rangpur Monthly Climate Averages,” <https://www.worldweatheronline.com/lang/en-us/rangpur-weather-averages/bd.aspx>.

<sup>44</sup> OSHA, “Using the Heat Index: A Guide for Employers,” [https://www.osha.gov/SLTC/heatillness/heat\\_index/pdfs/all\\_in\\_one.pdf](https://www.osha.gov/SLTC/heatillness/heat_index/pdfs/all_in_one.pdf).

<sup>45</sup> “Temperature: The IKEA supplier shall comply with all applicable laws and regulations relating to temperature levels in the workplace. Clarifications: In tropical or sub-tropical areas, the outside temperature is acceptable as the workplace temperature, provided there’s a roof that provides shade and protection from sunlight. Fans shall be used to ease the heat.” IKEA, “IWAY Standard,” Section 7.11.

## b. Working Hours

The majority of Karupannya employees work an 11-hour day schedule, Saturday through Thursday, 8:00 a.m. to 7:00 p.m., which includes a statutory one-hour, unpaid lunch break; thus these employees work a total of 10 hours per day.<sup>46</sup> While, by law, eight hours constitutes a full working day in Bangladesh, these two additional hours are part of the regular schedule employees are expected to work on a daily basis. Moreover, the total workday for these employees is actually longer than 10 hours, since they routinely arrive at the factory and begin work 30 minutes before the official start to their shift, at 7:30 a.m., in order to maximize their piece rate earnings. Therefore, on average, these employees work 10 and one-half hours per day.

The Karupannya factory also has a nightshift, whose employees work from 8:00 p.m. to 6:45 a.m. Like the day shift workers, these workers consistently report arriving and beginning work nearly 30 minutes before their shift, at 7:30 p.m., and leaving around 6:45 a.m. These workers also enjoy a one-hour, unpaid break. Therefore, on average, night shift workers are working nearly 10 hours and 15 minutes per day.

The combination of the low basic wages that the Karupannya factory pays to workers and its piece rate system, by which it incentivizes higher production levels, places employees at the facility under considerable pressure to work as many hours as possible to maximize their earnings. The result of this system, as discussed below, is an extensive pattern of violations of both Bangladeshi wage and hour laws and buyer codes of conduct.

## i. Mandatory Overtime

Karupannya workers testified that overtime—defined under Bangladeshi law as work beyond eight hours in a single day—is required of employees at the factory and that they do not feel free to refuse to perform this additional work.<sup>47</sup> One worker told the WRC, “Overtime is mandatory. Management lets us know during [our] recruitment [by the factory] that we have to do two hours of overtime every single day.” Another worker said, “I’ve never had the chance to say that I can’t do overtime.”

As a consequence, workers do not perform overtime solely because it increases their chances of achieving the production bonus, though, in many cases, this is clearly a major motivating factor. Based on workers’ testimony, employees also work these extra hours because they are told from the time of their hiring that this additional time is part of their *de facto* work schedule. Requiring employees to perform overtime, however, violates IKEA’s code of conduct<sup>48</sup> and Bangladeshi law, which mandates that any such additional work must be performed voluntarily.<sup>49</sup>

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<sup>46</sup> BLA, Article 101 (a).

<sup>47</sup> BLA, Article 100.

<sup>48</sup> “Working hours and overtime: (...) Overtime hours shall be on a voluntary basis.” IKEA, “IWAY Standard,” Section 9.3.

<sup>49</sup> “Overtime hours shall be on a voluntary basis. Clarifications: IKEA can, under certain circumstances well defined in the local legislation and/or agreed with local trade union, accept that overtime hours may be mandatory and decided by the management of the supplier.” IKEA, “IWAY Standard,” Section 9.3.

## ii. Excessive Working Hours

Both Bangladeshi labor law<sup>50</sup> and the IKEA vendor code of conduct limit employees' total working time hours to a maximum of 60 per week.<sup>51</sup> Weekly working time for employees at Karupannya routinely violates this maximum limit, because their standard workweek is comprised of six days of 10 and one-half hours of work, inclusive of two hours of daily overtime and 30 additional minutes per day before the start of their shifts, which results in a typical workweek of 63 hours.

## c. Statutory Sick Leave and Casual Leave

Under Bangladeshi law, workers are entitled to take paid casual leave for 10 days in each calendar year.<sup>52</sup> Karupannya workers interviewed by the WRC consistently testified that the company restricts their access to legally mandated casual leave. Workers uniformly reported that factory managers and supervisors attempt to dissuade workers from taking leave with threats of retaliation.

One Karupannya worker described an incident in which, after she took a single, one-day leave due to her mother-in-law being ill, she was threatened the next day with termination when she asked if she could leave the factory early. According to this worker, "The floor manager threatened to throw me out the [factory] gate." Denying workers access to casual leave is a violation of the labor law and, by extension, IKEA's Code of Conduct.

## d. Worker Participation Committee

As discussed above, under Bangladeshi law, unless a trade union is present in their workplace, companies that employ more than 50 workers are required to establish a Worker Participation Committee (WPC).<sup>53</sup> The law states that the functions of the WPC include ensuring the application of labor laws, maintaining a safe workplace, and adopting measures to improve the welfare of workers and their families.<sup>54</sup> The law further mandates that WPCs be comprised of representatives, of both management and workers, who have been independently selected by their respective constituencies.<sup>55</sup>

Workers at Karupannya who were interviewed by the WRC consistently stated that, while a WPC has been established at the factory, contrary to the law's requirements, its worker representatives have been chosen by the factory management rather than by the employees, themselves. By denying workers the right to elect their own representatives on the WPC,

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<sup>50</sup> BLA, Article 102 (2).

<sup>51</sup> "Working hours and overtime: The IKEA supplier shall not require their workers to work more than sixty (60) hours per week on a regularly scheduled basis, including overtime. Working time shall not exceed the legal limit. Overtime hours shall be on a voluntary basis. Clarifications: IKEA can, under certain circumstances well defined in the local legislation and/or agreed with local trade union, accept that overtime hours may be mandatory and decided by the management of the supplier." IKEA, "IWAY Standard," Section 9.3.

<sup>52</sup> BLA, Article 115.

<sup>53</sup> BLA, Article 206.

<sup>54</sup> BLA, Article 206.

<sup>55</sup> Bangladesh Labour Rules, 2015, Articles 187–191.

Karupannya has violated the law and, as discussed, below, undermined workers' confidence in the WPC as a means for employees to voice concerns.

e. Additional Observations

i. Internal Grievance Mechanism

While not required under Bangladeshi law, in the absence of forms of collective self-representation for workers—such as, preferably, an independent trade union, or, where no trade union is present, democratically elected worker representatives on a functioning WPC—a confidential internal grievance mechanism can provide employees with an avenue for raising concerns regarding workplace conditions and treatment.<sup>56</sup>

Karupannya employees testified to the WRC that they do not feel comfortable raising complaints through the factory's WPC, because, as already noted, the worker representatives on the committee were appointed by the factory management rather than having been elected by employees. This is the case, one worker told the WRC, even though, "we have a woman on our floor who is a member of the WPC, and the administration asked us to direct all [of our] complaints towards her."

Workers stated that Karupannya does also have an internal complaint system through which workers can submit written grievances in complaint boxes that are available throughout the factory premises, including the restrooms. According to employees, these complaints are read by the factory management every week.

However, workers expressed discomfort with using these complaint boxes due to fears that the management knows which workers submit complaints and will retaliate against those employees. One worker reported that he is afraid to submit a complaint to the complaint box, because, as the company has installed video surveillance cameras in the factory, "The management observes the CCTV [closed circuit television] camera footage [of who submits a complaint], [and] [w]e are then questioned [later] in a group or in public to verify the complaint [we submitted]."

Another Karupannya worker told the WRC that when she filed a complaint against a supervisor through the complaint box, "A woman from the management came down to our floor [of the factory] and asked everyone openly to verify it. Nobody answered [her] ... [because] [w]orkers do not like speaking out in public."

Another worker expressed the concern that "Even if our name is not on the complaint, if we describe the incident [that gave rise to the grievance], then the supervisor [involved] will understand [who made the complaint]." Again, while Karupannya is not required by law to have a functioning internal grievance mechanism, the fact that workers fear using the one that the company underscores, the way in which lacks meaningful forms of self-representation, has the effect of silencing workers' concerns.

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<sup>56</sup> See, Elena Arengo, Liana Foxvog, and Sarah Newell, *International Labor Rights Forum*, "Calling for Remedy," May 2019, <https://laborrights.org/sites/default/files/publications/Calling%20for%20Remedy%205-14.pdf>.

## 2. 1888 Mills

### a. Health and Safety

#### i. Fire Safety Hazards

##### *Inadequate Emergency Exits*

As previously discussed, ensuring that workers can safely escape from a multi-story factory building in case of a fire requires providing emergency exit routes from the structure that are fully enclosed and are separated by fireproof materials from the rest of the building. In particular, exit stairways must be fully separated from production areas in order to prevent these stairways from being obstructed by smoke during a fire, which would prevent egress, and to prevent smoke from rapidly travelling between the structure's floors, which creates inhalation hazards. To ensure such separation, Bangladeshi law requires, among other measures, the installation of fire-rated doors in all multi-storied buildings.<sup>57</sup>

The WRC gathered information from offsite interviews with workers concerning fire safety measures at two of the six 1888 Mills factories: Qualitex and Premier. Conditions with respect to fire safety at each of these factories are discussed in turn below.

##### *Qualitex*

According to workers, the Qualitex factory, which employs roughly 1,400 workers, is housed in a four-story building that is equipped with three exit stairways. Two of these stairways are on the opposite sides of the building from each other, and the third is located at the center of the building. Each of the three exit stairways opens onto all of the building's four floors, through entry ways which are separated by doors, although the latter are kept open during the factory's production hours. This lack of separation between the production floor and means of egress is a violation of the National Building Code.<sup>58</sup>

##### *Premier*

Employees reported that this factory, which employs nearly 3,000 workers, is housed in a four-story building that is equipped with only one exit stairway. Workers stated that, in violation of Bangladeshi fire safety standards, there are no doors to separate this single stairway from the production areas on each floor.<sup>59</sup>

##### *Improper Safety Training*

As at the Karupannya factory, workers at the 1888 Mills facilities have been improperly instructed by the management to attempt to fight fires at the factory. According to workers, small

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<sup>57</sup> Bangladesh National Building Code 2015.

<sup>58</sup> Bangladesh National Building Code 2015, Chapter 2, Section 11, "Requirements for Occupancy G-Industrial Buildings."

<sup>59</sup> Bangladesh National Building Code 2015, Chapter 2, Section 11.



electrical fires are regularly started by the motors of the factory's sewing machines, which the management instructs workers to put out themselves. One worker stated, "We manage the fires ourselves, since we are given training [to do this]."

Another worker reported, "I experienced a fire as recently as last month. I was operating a power loom machine when it sparked and caught fire. All workstations are equipped with fire extinguishers, and all workers are taught how to use these [extinguishers]."

As explained above, in the discussion of the same issue at the Karupannya factory, Qualitex management's practice of encouraging workers to fight fires themselves puts these workers' safety at grave risk and places the company in violation of its general duty to maintain a safe workplace.<sup>60</sup>

## ii. Excessive Temperatures

Bangladeshi law<sup>61</sup> and, by extension, IKEA's vendor code of conduct<sup>62</sup> both require employers to maintain tolerable temperatures for workers in factories. Workers employed at Premier reported excessively high temperatures in the factory, particularly in the plant's power loom department. Workers employed in this section, all of whom work in a standing position, reported that the three exhaust fans installed in the room did not moderate the heat levels in their work area.

One worker explained, "It is so hot that it feels like we are bathing in our own sweat. We get drenched down to our underwear, and our inner thighs get chafed from the area constantly being moist. We apply talcum powder to the chafed areas, but it does not help."

Although the WRC has not conducted an onsite inspection of the 1888 Mills facilities, which would include measuring ambient temperatures in the facility, the workers' mutually corroborating and detailed testimony indicates that 1888 Mills has failed to maintain temperatures in the factory below a "tolerable limit," as required by law and, by extension, its buyer's codes of conduct.

## b. Working Hours

Premier operates four working shifts: the "A" shift, which is from 6:30 a.m. to 2:30 p.m.; the "B" shift from 2:30 p.m. to 10:30 p.m.; the "C" shift from 10:30 p.m. to 6:30 a.m., and the D shift from 8:00 a.m. to 4:00 p.m. Notably, no female employees work the A, B, or C shifts. All female employees at the factory work on the "D" shift.

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<sup>60</sup> "The IKEA supplier shall prevent workers from exposure to severe safety hazards." IKEA, "IWAY Standard," Section 1.4.

<sup>61</sup> "Ventilation and temperature. (1) Arrangements for adequate ventilation shall be made for securing and maintaining circulation of fresh air in every work-room of every establishment. (2) Suitable measures shall be taken to keep the temperature in every such room in such a condition that may secure to workers therein reasonable conditions of comfort, and prevent injury to health of the workers." BLA, Art. 52.

<sup>62</sup> "The IKEA supplier shall comply with all applicable laws and regulations relating to temperature levels in the workplace." IKEA, "IWAY Standard," Section 7.11.

The company provides a subsidized meal to employees on the A and B shifts after the end of their working hours. However, as discussed below, employees are required to work their entire eight-hour shift without any break periods during this time. Workers report that there is no regular overtime at the factory and that all employees enjoy a statutory day off on Friday, when the factory is closed.

#### i. Failure to Provide Statutory Meal Break during Regular Hours

Bangladeshi law prohibits workers from working more than six hours per day, unless they are provided with a one-hour break.<sup>63</sup> However, the large majority of workers employed by 1888 do not enjoy breaks during their shifts. However, even some workers at Premier are only provided between a 10 and 15-minute meal break. None of the 1888 Mills factories surveyed by the WRC met the legal requirement to provide workers a full, hour-long break.

#### c. Verbal and Physical Abuse

In addition to having a general duty, under Bangladeshi law, to maintain a safe workplace, employers are required, under most buyers' labor codes,<sup>64</sup> to refrain from verbal or physical abuse of employees. Workers at the Premier factory, however, reported regular instances of being subjected to physical abuse by factory managers.

One male worker described an incident in which he was shoved to the ground by a supervisor. According to the worker, when he went to the supervisor to report a malfunctioning machine, the supervisor "refused to come fix my machine [and] pushed me by the back of the neck [so] that I fell to the floor."

The same Premier worker described another incident in which he approached the section's supervisor because the power loom he was operating was not working. According to this worker, the foreman responded by kicking the worker on his backside, calling the employee a verbal slur for a migrant worker.

Other workers at Premier also consistently and specifically reported that the factory's general manager regularly physically abuses workers. One worker explained, "If a person [i.e., an employee] is taking too long washing his hands, he [the manager] would hit them." Such abuse is not only a violation of buyers' codes of conduct but also Bangladeshi law.<sup>65</sup>

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<sup>63</sup> Bangladesh EPZ Labour Act, 2019, Chapter 5, Section 39.

<sup>64</sup> For example, "The IKEA supplier shall not engage, support or allow any form of harassment or abuse in the workplace." IKEA, "IWAY Standard," Section 14.2 (1).

<sup>65</sup> International Labour Conference, Convention 190, "Convention Concerning the Elimination of Violence and Harassment in the World of Work", [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_711575.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_711575.pdf).

#### d. Statutory Sick and Casual Leave

As noted previously, Bangladeshi law requires employers to permit workers to take paid sick leave<sup>66</sup> and casual leave.<sup>67</sup> Workers at Premier reported, however, that it is common for the factory management to attempt to dissuade workers from taking such leave and punish employees if they do so.

One worker employed at Premier related,

I had diarrhea so I went to the BEPZA hospital to see a doctor. The doctor said that I was very weak and that I needed to rest and rehydrate until I got better. He also gave me a medical certificate. I went to [my] supervisor with the certificate, but he refused to give me sick leave, [so] I could not take that day nor the next one off. I was given a day off on the third day, [so] I could finally get some rest after several days of being sick.

By attempting to deny workers the ability to take sick leave when it is medically appropriate, Premier violates labor laws and, by extension, brands' codes of conduct.

#### e. Freedom of Association

The law governing associational activities in Bangladesh's EPZs, unlike the country's regular labor law, does not provide meaningful protections for workers' freedom of association. Indeed, the EPZ Labour Act, prohibits workers from forming trade unions in the EPZs and, instead, only permits workers to form "Worker Welfare Associations" ("WWA"), a form of labor organization specific to the EPZs.

Human Rights Watch, among other international observers, has noted that outlawing trade unions and restricting workers only to the specific and limited form of self-organization represented by the WWA violates the workers' associational rights.<sup>68</sup> The government of Bangladesh has ratified ILO Conventions 87 and 98, which protect workers' right to form and join trade unions of their own choice and, through those organizations, to collectively bargain. The EPZ Labour Act clearly violates this core labor standard.

Premier, as already noted, is located within an EPZ, where, under Bangladeshi law, workers are prohibited by law from forming trade unions and, instead, are only permitted to establish a WWA. Workers at Premier related that their factory did not have a WWA because of what they described as an "unfair referendum".

One Premier employee stated, "There was a referendum in the factory asking the workers whether or not they want a committee [i.e., a WWA], but the workers voted no, because the supervisors convinced the workers that [such] a committee would be problematic. [The

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<sup>66</sup> BLA, Article 116.

<sup>67</sup> BLA, Article 115.

<sup>68</sup> Human Rights Watch, "Bangladesh: Garment Workers' Union Rights Bleak," April 22, 2015, <https://www.hrw.org/news/2016/04/21/bangladesh-garment-workers-union-rights-bleak>.

supervisors told us that having such a committee] will create leaders [among the employees], divide up the workers, [and] cause rifts in unity.”

Workers at the 1888 Mills factories expressed fear of retaliation by management if they were to exercise their associational rights by speaking out and advocating for improved conditions in their workplace. As one worker stated, “We fear to speak up about anything, because we might lose our jobs.”

The result of the actions taken—both by the Bangladeshi government, to deny workers in EPZs the right to form authentic trade unions, and by 1888 Mills’ management, to dissuade employees in this specific factory from exercising even limited self-representation through the formation of a WWA—is that employees at 1888 Mills factories have been left without any means by which they can feel secure to raise workplace issues.

### 3. Unilliance Textiles

#### a. Fire and Building Safety

Unilliance, which, as noted, closed in November 2019, was the only facility surveyed for this report that was inspected by the Accord. Since early 2019, Unilliance was covered by the Accord, because Sainsbury’s, a buyer from the facility, is an Accord signatory company. As discussed above, among the key features of the Accord are its strong transparency provisions, which ensure that there are detailed, publicly available reports concerning all necessary renovations and upgrades at each covered factory and the degree to which these have been implemented.

Since the Accord essentially functions as the designated regulator of building safety vis-à-vis the factories it covers (thereby performing, under a private agreement between brands and retailers and unions, the public regulatory role the Bangladeshi government has consistently failed to perform) and provides highly credible detailed reports concerning each factory, the Accord’s reporting on Unilliance, which is summarized in this section, provides a definitive assessment of the company’s performance on building safety issues.

Unilliance was originally inspected by the Accord in early 2014. During its initial inspections of the factory, the Accord identified 130 individual electrical, structural, and fire safety hazards at Unilliance that constituted violations of the national building code and the Accord’s standards. The renovations and repairs necessary to eliminate these hazards were set forth by the Accord’s inspectorate in a mandatory, time-bound action plan.<sup>69</sup>

In October 2016, however, oversight of remediation of safety hazards at Unilliance was turned over to the Bangladeshi government’s National Action Plan (NAP), a state-run initiative to improve factory and building safety at factories that fell outside the Accord’s scope. The reason for this handover of oversight was that the factory was not producing garments for any of the Accord’s signatory brands and retailers and, therefore, fell beyond the Accord’s scope. At the

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<sup>69</sup> The Accord for Fire and Building Safety in Bangladesh, “Unilliance Textiles Limited – CAP – October 2016, (on file with the WRC).

time that the factory was transferred to NAP's supervision, Unilliance had remediated only 55% of all safety hazards that had been identified by the Accord.

After the establishment of the Accord's successor agreement, the 2016 Transition Accord, which broadened the scope of the Accord's inspection program to cover home textile factories, Unilliance returned under the Accord's oversight, because the factory was producing home textiles for the Accord's signatory company, Sainsbury's.

In a 2019 re-inspection of the Unilliance facility, after it was transferred back to the Accord from NAP, Accord engineers identified 80 unremediated safety hazards—which was actually more than the Accord had logged when it had last inspected the factory in 2016. The primary reason that the number of safety hazards identified at the factory in 2019 was larger than the number of hazards that had remained uncorrected in 2016 was that, in the interim, Unilliance had constructed an additional building on its premises, which contained yet more unsafe conditions.

It was also clear from the inspection report, however, that Unilliance had made no progress to improve its safety practices during the three years it was under the oversight of NAP and not under the Accord. Unilliance's lack of progress while under the supervision of NAP in improving the safety of its buildings illustrates the Bangladeshi government's continuing failure to effectively regulate factory safety conditions.

One of the most dangerous—as well as the easiest to eliminate—safety hazards identified by Accord inspectors at Unilliance in 2019 was that the factory's exit doors could be locked to prevent egress by employees. There is *no* reason that five years after having been cited by inspectors for this hazard Unilliance's exit doors should have still been lockable against egress. Furthermore, Unilliance had made no other progress in fire safety, such as installing fire-rated doors and sealing penetrations (open spaces) in the walls or floors of its exit staircases. Finally, the factory also had yet to complete the installation of an adequate fire alarm system.

For all these reasons, if a major fire had broken out at Unilliance before the factory's closure, it is highly likely that there could have been significant, and needless, loss of workers' lives. Although the Unilliance factory is now closed, unfortunately, there is little reason to believe that the safety hazards that the Accord's inspectors identified at this facility are no longer prevalent at other home textile factories still in operation in the country.

#### b. Working Hours

Employees in Unilliance's sewing section worked a nine-hour shift, from 9:00 a.m. to 6:00 p.m., which included a one-hour break, six days per week. Workers employed in the factory's mending section worked an eight-hour shift, either during the daytime, from 6:00 a.m. to 2:00 p.m., or in the evening, from 2:00 p.m. to 10:00 pm. According to workers, the factory management did not provide employees in the mending section with any breaktime during either the day shift or the evening shift. The factory's dyeing and weaving sections reportedly operated on the same shift schedule as the mending section, except that these sections also had a night shift which started at 10:00 p.m. and ended at 6:00 a.m.



Employees told the WRC that, in addition to their regular, eight-hour shifts, workers at Unilliance were sometimes required by the factory management to work additional, overtime hours. For example, workers in the factory’s weaving, dyeing, and knitting sections reported working at least one shift per week that was 15-hours long. Moreover, one employee at Unilliance related an incident in February 2019 in which employees had worked at the factory for 24 hours straight.

#### i. Mandatory Overtime

Bangladeshi law defines any work performed beyond 48 hours in a single week as overtime, which can only be performed by workers on a voluntary basis.<sup>70</sup> Given that, as already noted, employees at Unilliance already worked a 48-hour per week schedule—six days of eight working hours each—any additional work was legally required to be considered overtime and, therefore, could not be mandated by the company.

Workers at Unilliance testified, however, that performing overtime was mandatory for employees at the factory, and they did not feel free to refuse to perform overtime work. Requiring employees to perform overtime violates the legal requirement that such work must be performed voluntarily.<sup>71</sup>

#### ii. Lack of Statutory Rest Periods

Bangladeshi law stipulates that all employees who work more than six hours in a single day must be provided with a daily break of at least one hour. Workers interviewed by the WRC reported that Unilliance did not provide employees with this legally required one-hour break and, in some cases, did not permit them any break during their work time at all.<sup>72</sup>

Unilliance provided workers who are employed on the factory’s morning shift in its sewing section with a single one-hour break but did not offer any break to workers who are employed on other shifts and/or in other sections. Unilliance’s failure to provide any of these workers with a daily one-hour rest break violates Bangladeshi law.

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<sup>70</sup> Bangladesh Labour Rules, 2015, Article 99.

<sup>71</sup> “Working hours and overtime: The IKEA supplier shall not require their workers to work more than sixty (60) hours per week on a regularly scheduled basis, including overtime. Working time shall not exceed the legal limit. Overtime hours shall be on a voluntary basis. Clarifications: IKEA can, under certain circumstances well defined in the local legislation and/or agreed with local trade union, accept that overtime hours may be mandatory and decided by the management of the supplier.” IKEA, “IWAY Standard,” Section 9.3.

<sup>72</sup> “Interval for rest or meal—In an establishment no worker shall be liable to—(a) work for more than 6 (six) hours in a day, unless he is given an interval of 1 (one) hour for rest or meal during that day...(b) work for more than 8 (eight) hours in a day, unless he is given 1 (one) [one hour] or 2 (two) [half an hour] for the said purpose during that day.” BLA, Article 101.

### iii. Excessive Working Hours

Bangladeshi law prohibits factories from permitting employees to work in excess of 10 hours in a single day.<sup>73</sup> As noted above, employees at Unilliance report that the company required them to work shifts that are 15 hours in length—well beyond the 10-hour maximum—at least once per week (and, in at least one instance, required them to work 24 hours in a row), thereby violating this legal prohibition.

### c. Wages

#### i. Delayed Payment of Wages

Bangladeshi law requires employers to pay workers their wages for each given month by the seventh working day of the following month.<sup>74</sup> Employees the WRC interviewed at Unilliance unanimously reported that the factory regularly failed to pay workers' wages within the legally required timeframe.

To cite one example, Unilliance employees reported that they did not receive their wages for their working hours in January 2019 until March 15, 2019, nearly five weeks after the factory was legally required to pay them. One Unilliance worker told the WRC that, as a result of the company's delay in paying her wages, she was forced to borrow money from her neighbors in order to buy food for her son.

Unilliance's failure to pay workers their wages on time is a clear violation of Bangladeshi law. Furthermore, this practice imposes significant hardships on workers and their families, nearly all of whom relied on their wages to cover their basic needs.

#### ii. Failure to Provide Pay Records to Workers

While not formally required under either Bangladeshi law or the codes of conduct of the specific buyers from Unilliance of which the WRC is aware, providing workers with pay statements at the time they receive their wages is a requirement of many international multi-stakeholder standards and is widely recognized within the apparel industry as a basic element of responsible employment practice.<sup>75</sup> Workers at Unilliance consistently reported that none of the overtime worked was reflected on their monthly pay slip.

A written pay statement is essential to ensure that workers are appropriately informed of the basis for how their wages have been calculated: the number of regular and overtime hours they have worked, the applicable wage rates for both types of hours, and the nature and amounts of any deductions and/or bonuses. Provision of detailed pay statements also serves as an important

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<sup>73</sup> "Provided that subject to the provisions of section 108, any such worker may work in an establishment up to 10 (ten) hours also in a day;" Bangladesh Labour Act 2006, Article 102, "The total hours of work of an adult worker shall not exceed sixty hours in any week..." BLA, Article 100.

<sup>74</sup> BLA, Article 121 (1).

<sup>75</sup> See, for example: Fair Labor Association "FLA Workplace Code of Conduct and Compliance Benchmarks," Section IX (C.13), October 5, 2011, [http://www.fairlabor.org/sites/default/files/fla\\_complete\\_code\\_and\\_benchmarks.pdf](http://www.fairlabor.org/sites/default/files/fla_complete_code_and_benchmarks.pdf).

accountability mechanism, since labor inspectors can compare management's payroll records with the pay statements provided to workers, in order to determine if they are mutually consistent. Moreover, the experience of the WRC has been that failure to provide workers with written pay statements is strongly associated with underpayment of wages.

#### d. Women's Rights

##### i. Sexual Harassment

Employers are specifically required under most brands' and retailers' codes of conduct to refrain from sexual harassment and abuse of workers.<sup>76</sup>

Workers whom the WRC interviewed at Unilliance, however, described regular incidents of sexual abuse and harassment by the factory's management. Specifically, workers reported being sexually harassed, themselves, by supervisors and witnessing other employees being subjected to such harassment.

One female worker stated, "He [my supervisor] caresses my head, shoulders, and back in the guise of encouraging me to work more...I am a woman, why would he, being a man, touch me [this way]? I don't like it."

Another female worker described how the same male supervisor used sexually explicit and demeaning language to reprimand her when she was unable to complete a task. This worker stated,

[Once, when] I was not able to [stitch a label onto a bedsheet]... he [the same supervisor] got angry with me and yelled, "You're no good for working, you're only good for taking it from behind".... [At this] I started crying because I felt so humiliated to be told that in front of all the workers.

The same worker also told the WRC that she had witnessed another supervisor tell a female worker that he (the supervisor) would "make her [the worker] happy if she goes home [to have sex] with him."

Another worker related that, because sexual harassment was so pervasive in the factory, she had begun to dress more conservatively in order to avoid the supervisors' attention. This worker stated, "I used to love dressing up to go to work...but nowadays I try to look as plain as possible."

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<sup>76</sup> For example, Unilliance's customer Sainsbury's is a member of the Ethical Trading Initiative (ETI), and its suppliers are subject to its "Base Code," Section 9.1, "[...]sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited."

The sexual harassment which workers at Unilliance were subjected to by the factory's supervisors violated not only brand codes of conduct, which uniformly prohibit sexual harassment,<sup>77</sup> but also international labor standards.<sup>78</sup>

## ii. Maternity Benefits

Bangladeshi law requires that “every woman employed in an establishment shall be entitled to and her employer shall be liable for the payment of maternity benefit in respect of the period of eight weeks preceding the expected day of her delivery and eight weeks immediately following the day of her delivery.”<sup>79</sup> Workers employed at Unilliance consistently reported that the company violated this requirement, since, while women employees were able to return to work in their same position at the factory after giving birth, they were not provided by the company with any of the maternity pay during the period of their absence that the law mandates.

One Unilliance worker whom the WRC interviewed in April 2019 reported that she still had yet to receive any maternity pay for a maternity leave she took between September 2018 and January 2019. This worker showed WRC a slip of paper with the dates of her maternity leave written on it. The worker explained,

I was given this slip of paper by [the factory] management and asked to memorize the dates. They said that if [representatives of] the [factory's] buyers come [to the workplace], I will be called to speak to them and that I must say that I received BDT 27,000 on each of these dates as wages during my maternity leave.

The worker in question had been employed by Unilliance since 2012, yet the company provided *no* maternity pay to this worker following childbirth. Unilliance's failure to provide its female workers with maternity benefits after childbirth violated Bangladeshi law.

## e. Statutory Sick Leave and Casual Leave

As previously noted, under Bangladeshi law, workers have the right to take sick leave with full wages for 14 days in a calendar year and casual leave for 10 days with full wages in a calendar year.<sup>80</sup> Unilliance workers reported, however, that the factory's management violated this legal requirement by denying employees permission to take such leaves. One worker related an incident when the management refused to permit him to take a day of casual leave to attend his grandmother's funeral. The worker stated,

I told the admin[istrator] that I need to see [my grandmother] get buried, but he refused to give me time off ... The person from the administration shot me down by saying [in reply] ‘If my brother dies, will he come back alive if I go?’

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<sup>77</sup> “Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.” ETI, Base Code, 9.1.

<sup>78</sup> The International Labour Organization recently adopted Convention 190 (“Convention concerning the Elimination of Violence and Harassment in the World of Work”), which Bangladesh has yet to ratify.

<sup>79</sup> BLA, Article 46.

<sup>80</sup> BLA, Article 115.

Another Unilliance worker said, “I cut my hand while working [on] the machines and asked to take some time off because it hurt to continue working. I was refused the time off [by the management].” Three other Unilliance workers also described similar incidents in which they were denied leave after injuring their hands while working.

Several workers added that even when they were sick, they were required to go to the factory to get permission from upper management in order to be granted sick leave. Said one worker concerning this practice, “Just running around and getting a day off costs us three or four hours. That’s almost half a day.”

This worker also told that WRC that he had raised this issue with the management at factory-wide meetings and had been told that workers could take leaves without obtaining formal permission from the upper management. However, he added, this practice “does not get implemented.”

By attempting to dissuade workers from taking paid leave, failing to provide clear guidelines on how to request such leave or a procedure by which leave is requested and granted, and creating unreasonable obstacles for workers to access sick leave, Unilliance violated the provisions of the labor laws that give workers the right to paid sick leave and casual leave, and thereby, by extension, it also violated brands’ codes of conduct.

#### f. Freedom of Association

Workers at Unilliance consistently stated their belief that the statutory Worker Participation Committee (“WPC”) that had been established in the factory by the management, did not represent employees’ interests. Workers reported that the WPC members frequently sided with the factory management if a dispute came before the committee. One worker, who was employed at the factory for 11 years, told the WRC that the WPC did not “act [in the best interest of] the workers.” At the same time, as discussed below, the factory management aggressively opposed the formation of a trade union at the factory, which could allow workers to independently assert their collective interests.

#### i. Unlawful Termination of Workers Accessing Their Associational Rights

In an effort to advocate for their rights and improve their working conditions, workers at Unilliance attempted to form a trade union at the factory, which was legally permitted in this instance, since the factory is not located in an EPZ.<sup>81</sup> Despite significant efforts by workers to form a union at the factory, a union was never legally registered.

Under Bangladeshi law, to be legally registered, a union must have the support of at least one-third of the workforce. Unilliance workers collected the signatures of 208 factory employees, representing just short of one-third of the workforce, between Spring 2018 and Spring 2019. During this same period however, according to the union, at least 53 of these workers were

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<sup>81</sup> The government of Bangladesh has ratified ILO Conventions 87 and 98, which protect workers’ right to create and join the worker organizations of their choice and, through those organizations, collectively bargain.



terminated and 23 more employees were forced by management to resign from their jobs, resulting in the union losing a significant portion of support from the workforce.

These terminations reportedly followed a work stoppage at the factory by employees on April 28, 2018, after the management had failed to provide workers with their wages for their work during February and March 2018. This work stoppage received national news coverage in Bangladesh. According to the union's president, following the strike, the police filed 23 criminal cases against workers who participated in the action.

While the WRC is unable to confirm the retaliatory terminations of workers by Unilliance management that the union described, workers' individual testimony to the WRC indicates that the management had made threats of retaliation against employees for their participation in associational activities, which had the effect of causing some employees to refrain from exercising these rights. Specifically, one female employee told the WRC that, prior to the 2018 work stoppage, the factory management threatened female workers that, if they participated in this protest, the company would remove their child from the factory's onsite daycare center, a facility which workers with young children have a legal right to access. The worker stated, "They were threatening to throw out our children from the daycare for protesting...[so] I didn't protest." Unilliance's threat of retaliation against workers for exercising associational rights violates international labor standards.

## **V. Conclusion: The Failure of Voluntary Codes of Conduct and Factory Auditing in the Bangladeshi Home Textiles Industry**

The home textile industry represents only a small fraction of Bangladesh's exports compared to the country's massive ready-made-garments sector. In their practices of violating and ignoring their employees' basic labor rights, however, the two sectors are remarkably similar.

Because the Bangladeshi home textile industry has been able to operate further from the spotlight of international public attention than the country's garment industry, the same violations in the home textile factories sector have been less likely to be noticed, subjected to public criticism, and corrected than they have been in apparel factories. Even though many of the brands and retailers that market both garments and home textile products often source both types of goods from Bangladesh, labor rights violations in these brands' home textile supply chains have been more likely to escape scrutiny than abuses in their garment supply chains.

While the Bangladesh Accord, has made garment factories in the country demonstrably safer for millions of workers, Bangladeshi home textile factories too often remain the type of death traps that many Bangladeshi garment factories were before the Accord's inception in 2013. While home textile factories have been eligible to participate in the Accord since 2018, their inclusion in the Accord's factory inspection and hazard remediation program is optional for brands and retailers that are already Accord signatories, and many home textile companies, such as IKEA, that could sign onto the Accord have refused to do so.

All three factories whose labor practices were investigated for this report are covered by the voluntary codes of conduct and private inspection programs of the brands and retailers that are

their buyers. The fact that rampant labor rights violations in these factories could continue to exist after years of producing for companies that publicly tout their commitment to these standards, once more proves that voluntary commitments and corporate-led factory auditing are ineffective in protecting workers' rights, welfare, and safety.

After international labor advocates, such as Clean Clothes Campaign and Future In Our Hands, called on IKEA in 2018 to sign the Bangladesh Accord, bringing its supplier factories into the Accord's binding and enforceable factory safety program, IKEA repeatedly responded that its own code of conduct, "IWAY", provided similar or better protections for workers. The workers interviewed for this report consistently and specifically reported that the factories they work in are frequently inspected by outside auditors working for buyers like IKEA. These workers told the WRC that the managers and supervisors do not permit them to talk independently to brand and retailer inspectors but, instead, instruct the workers on precisely what to say to them.

As one Unilliance worker told the WRC, "[The factory management] has a select group of people whom they take up to the administrative office to talk with the [brand] inspectors." Moreover, when workers are asked questions by auditors, these employees related managers often translate their responses for the auditors. A Karupannya worker told the WRC, "When the buyers come [to the factory] for [the] inspection they speak in their [own] language, and [their questions] are translated to the workers [by managers]. The workers answer in Bangla and that [answer] is translated back to the [buyer representatives]."

It has been widely recognized that, given the limited amount of time devoted to each brand audit of a factory, these generally consist of "superficial walk-around inspections; perfunctory review of records related to pay, working hours and OSH programs; and short, often group, on-site interviews with workers having an economic motivation (keeping their jobs) to provide answers favorable to their employers."<sup>82</sup> As a result, such audits have failed to protect the rights of workers in Bangladesh and beyond.<sup>83</sup>

The only way voluntary codes of conduct play a significant role in protecting worker rights is when they are invoked by workers, themselves, as a means of compelling brands and retailers to hold their suppliers accountable to these standards. However, in none of the three factories researched were workers free to engage in the exercise of associational rights that is a prerequisite for such forms of self-representation.

To effectively address workplace abuses, companies must move beyond voluntary measures and join with worker organizations in binding commitments, such as the Bangladesh Accord, and support their expansion to other industries—such as home textiles—and other countries, as is currently planned in Pakistan.<sup>84</sup>

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<sup>82</sup> Garrett Brown, "Hansae Vietnam's garment factory: Latest example of how corporate social responsibility has failed to protect workers," *Journal of Occupational and Environmental Hygiene*, <http://mhssn.igc.org/Brown%20-%20JOEH%20-%20Hansae%20Vietnam%20-%20Aug%202017.pdf>.

<sup>83</sup> For example, in 2012, a Pakistani factory called Ali Enterprises was certified by SA8000 auditors. Mere weeks later, a fire killed nearly 300 workers.

<sup>84</sup> Clean Clothes Campaign, "Pakistan's Garment Workers Need a Safety Accord," September 2019, <https://cleanclothes.org/file-repository/pakistan-safety-report.pdf/view>.

Brands and retailers in garment and home textile industries have considerable influence with their supplier factories. Through direct engagement, improved buying practices (such as pricing that includes funds specifically earmarked for raising workers' wages), and other forms of cooperation with suppliers, home textile companies can play an important role in improving conditions for the workers who make their products—as is their clear responsibility.