



**EUROPEAN COMMISSION**

**PRESS RELEASE**

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## **Staying Engaged: Bangladesh Sustainability Compact – one year on**

One year ago, in response to the tragic loss of life when the Rana Plaza complex collapsed, the EU took action through a Sustainability Compact to promote better labour rights and more responsible supply chain management in garment manufacturing in Bangladesh. A report published by the Commission today reviews progress made and outlines steps that still need to be taken. It will be used as a basis for discussions in a follow-up stocktaking exercise in Brussels, to which key stakeholders will be invited.

European Commissioner for Trade Karel De Gucht and Commissioner for Employment, Social Affairs and Inclusion László Andor issued the following joint statement: *"We welcome the serious commitment to deliver marked progress today. We commend those foreign retailers who did stay engaged in Bangladesh. As a matter of priority, we also urge the government of Bangladesh to complete the labour law reform, training and recruitment of inspectors and to create the conditions for meaningful freedom of association. Better labour conditions will support sustainable trade links with many markets, especially the European Union"*.

### **Background**

The Rana Plaza disaster had to be a turning point for safety and labour issues in Bangladesh. As stressed in the immediate aftermath of the incident in a joint statement by High Representative/Vice-President Catherine Ashton and Commissioner De Gucht, the EU's trade relations with Bangladesh and the importance of the ready-made garment (RMG) industry to the country's development gave the EU – as Bangladesh's largest export market of RMGs – a special responsibility to act. This is why the EU, together with the authorities of Bangladesh, the United States and the International Labour Organisation (ILO)<sup>i</sup>, launched the Sustainability Compact<sup>ii</sup> one year ago.

The Sustainability Compact seeks to improve labour, health and safety conditions for workers, as well as to encourage responsible behaviour by businesses in the ready-made garment industry in the South Asian country. It lists short and longer-term commitments to improve labour rights and in particular freedom of association.

Since then, Bangladesh has made much progress. The labour law has been amended to strengthen freedom of association and collective bargaining and occupational safety and health. Many new trade unions have been established and more workers are aware of their rights and are seeking to assert them. In addition, there are now common standards for factory inspections. The inspections are on-going, more inspectors are being recruited and their findings are being made publicly available. Bangladesh also qualified for the Better Work Programme<sup>iii</sup>.

The private sector mobilised a strong response to the tragedy: in particular the *Accord on Factory and Building Safety in Bangladesh* and the *Alliance for Bangladesh Worker Safety*. They are now fully operational and play a key role in factory inspections and improvement of working conditions.

Further work is urgently required in line with Compact commitments. Additional inspectors need to be trained, recruited and be able to work. Bangladesh's ability to ensure safety and health at work as well as freedom of association and collective bargaining must continue to improve. Implementing regulations need to be adopted swiftly and further amendments to the legislation are necessary in line with ILO recommendations. New legislation must be implemented effectively. Bangladeshi industry also should keep to its commitments. Working conditions must improve in practice and workers must be free to organise and exercise their right to collective bargaining without fear of anti-union discrimination, harassment, intimidation or harm.

An additional cause for concern are recent refusals to register trade unions, attempts to limit their freedom of expression and the lack of measures taken to address intimidation and violence against workers. The situation needs to be redressed so as to ensure sustainable improvements in labour conditions in Bangladesh.

**An assessment of progress to-date is available here:**

[Technical Progress report: Staying Engaged - A Sustainability Compact for continuous improvements in labour rights and factory safety in the Ready-Made Garment and Knitwear Industry in Bangladesh](#)

[Annex](#)

## For more information

[IP on the adoption of Sustainability Bangladesh Compact](#)

[Joint statement on the Sustainability Bangladesh Compact](#)

**MEMO/13/670:** Remarks by EU Trade Commissioner Karel De Gucht on the Launch of a Global Sustainability Compact in response to Bangladesh tragedies, 8 July 2013

**IP/13/79:** Joint Statement by Commissioner Karel De Gucht and EU High Representative Catherine Ashton following factory fires in Bangladesh, 30 January 2013

**MEMO/13/395:** Joint Statement by Commissioner Karel De Gucht and EU High Representative Catherine Ashton following the building collapse in Bangladesh, 30 April 2013

[ILO Better Work Programme](#)

[EU Trade Relations with Bangladesh](#)

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<sup>i</sup> [The US joined the Compact on 19 July 2013.](#)

<sup>ii</sup> [Staying engaged: A Sustainability Compact for continuous improvements in labour rights and factory safety in the Ready-Made Garment and Knitwear Industry in Bangladesh.](#)

<sup>iii</sup> [A partnership between the ILO and the International Finance Corporation \(IFC\), aiming at improving compliance with labour standards and promoting competitiveness in global supply chains in the RMG and knitwear industry.](#)