

Declaration of country specific risks Bangladesh

Introduction

In accordance with the OECD Due Diligence Guidance, we perform a regular supply chain risk analysis. In this document we like to share relevant points that have been identified during our risk analysis as topics that are seen as most likely to happen in Bangladesh. This is reflected in research, media coverage, audit results, Fair Wear's country study, information from NGO's and based on our own experiences. These insights can help us together conducting (human rights-) due diligence which is an ongoing risk management process to identify, prevent and mitigate risks. By signing this document, you declare to be aware of these risks and will take action to mitigate the exposure to these potential risks.

1. Freedom of Association (FOA), Social dialogue and Collective Bargaining

Bangladesh has ratified [ILO Conventions 98](#), and [ILO Convention 87](#) on freedom of association and the right to collective bargaining. However, the current legislation and practice makes it challenging to exercise this right. In the report '[Mapping Social Dialogue in Bangladesh](#)' the situation in the Bangladesh' garment sector is described. Of all RMG factory workers working in Bangladesh only less than 5 percent is part of an active union.

Are you aware of this risk?

- Yes
- No

How is independent worker representation organized at your factory?

- We have a written policy regarding freedom of association and social dialogue
- By signing collective bargaining Agreement (CBA) with existing active union in the factory
- By an active and independent local trade union
- By an elected and effective Participation Committee (PC)
- By a health and safety committee
- By an anti-harassment committee
- We have a well-functioning internal grievance mechanism in place*
- We have an external grievance mechanism in place (external parties like FWF)*
- We raise awareness of the importance of worker representatives and social dialogue
- We engage with (local) NGO's on this issue. Name: [Click here to enter text.](#)
- Other: [Click here to enter text.](#)

**In case you have a grievance mechanism in place:*

Were there any complaints regarding limited possibilities in terms of FOA, Social dialogue or Collective bargaining? If yes, how many? [Click here to enter text.](#)

How did you handle these complaints? [Click here to enter text.](#)

Are labour conditions collectively negotiated? Is there a collective bargaining agreement that applies to your factory? Who are the negotiating parties of this agreement?

[Click here to enter text.](#)

2. Violence and (sexual) harassment

We learned from the Fair wear [country study](#) and from complaints raised during the past years that (sexual-) harassment is a serious risk within the Bangladesh supply chain. As Fair wear member we therefore encourage suppliers to make effort to create a harmonious working environment by strengthening internal systems that can effectively address workplace concerns and grievances related to violence and harassment in the workplace.

Are you aware of this risk?

- Yes
- No

Does your factory have a well-functioning anti-harassment committee (AHC)?

If yes, please share your analysis

- Yes [Click here to enter text.](#)
- No

How do you mitigate the risk of violence and harassment?

- We have a policy in place regarding anti-harassment
- We participated in the Workplace Education Programme Violence and Harassment Prevention from Fair wear.
- We participated in any other training program regarding this topic.
- We have a well-functioning internal grievance mechanism in place*
- We have an external grievance mechanism in place (external parties like FWF)*
- We engage with (local) unions/NGO's on this topic. Name: [Click here to enter text.](#)
- Other: [Click here to enter text.](#)

**In case you have a grievance mechanism in place:*

Were there any complaints regarding violence and (sexual) harassment? If yes, how many? [Click here to enter text.](#)

How did you handle these complaints? [Click here to enter text.](#)

3. Living wage

A living wage is defined as a wage paid for a standard working week that meets the basic needs of workers and their families and provides some discretionary income. 'Basic needs' further includes costs like housing (with basic facilities including electricity), nutrition, clothing, healthcare, education, drinking water, childcare, transport, and savings. In Bangladesh, minimum wage compliance already appears to be challenging. Our code of conduct has recognised workers' right to a living wage, as aligned with the ILO Conventions.

Are you able to provide cost breakdowns, including labour costs, on product level?

- Yes
- No

Do you have insight (through research) in the current cost of living in your factory area?

If yes, please share your analysis

- Yes [Click here to enter text.](#)
- No

How do you work on the wage topic?

- We have a policy in place regarding the payment of a minimum wage
- We have a policy in place regarding the payment of a living wage
- Through audit and compliance programs we can show we are paying a minimum wage
- Through audit and compliance programs we can show we are paying above minimum wage
- We consult workers on the wage topic
- We consult local unions/NGO's on the wage topic. Name: [Click here to enter text.](#)
- We engage with brands on this issue. Name: [Click here to enter text.](#)
- We have a well-functioning internal grievance mechanism in place*
- We have an external grievance mechanism in place (external parties like FWF)*
- Other: [Click here to enter text.](#)

**In case you have a grievance mechanism in place:*

Were there any complaints regarding wages? If yes, how many? [Click here to enter text.](#)

How did you handle these complaints? [Click here to enter text.](#)

4. Energy power cuts

Many production countries are struggling with a severe shortage of electricity and/or gas, resulting in power cuts and blackouts causing delays because of production interruptions. This could lead to production interruptions and therefore, also put a risk on code of conduct principles (e.g. overtime to make up for production losses).

Do you have an alternative/emergency power supply to cover shortages of power cuts?

- Yes, please explain: [Click here to enter text.](#)
- No

5. Financial stability

Undertaking a contract with a financially unstable supplier could result in issues such as interrupted supply, or decreased quality of the product if the supplier must cut costs in order to make profit. Or worse, that the supplier business could fail.

Please describe the ownership structure of the business entity and support this with evidence

[Click here to enter text.](#)

Please provide a cash flow statement for the past 2 years to measure if your business has a positive liquidity (in Bangladeshi Taka)

- 2020 [Click here to enter text.](#)
- 2021 [Click here to enter text.](#)

Solvency ratio (the ability of your business to pay off its debts and obligations)

Please mention in %.

[Click here to enter text.](#)

Please list your 3 biggest customers.

	<i>Customer name</i>	<i>% of the production capacity per customer</i>
○ Customer 1	Click here to enter text.	Click here to enter text.
○ Customer 2	Click here to enter text.	Click here to enter text.
○ Customer 3	Click here to enter text.	Click here to enter text.

NOTE: please provide published financial statements and/or other documents to support your answers above.

By signing this document you declare to be aware of these risks and take action to mitigate the exposure to these potential risks.

Date: Click here to enter text.

Supplier: Click here to enter text.

Name MD: Click here to enter text.

Signature:

Company stamp:

