

## IN FACTORIES SUPPLYING MAJOR INTERNATIONAL BRANDS SHOW THE IMMEDIATE NEED FOR A STRONG ACCORD PROGRAMME IN PAKISTAN

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Potentially deadly safety hazards at factories in Pakistan supplying global brands, among them Gap, Levi's, Kontoor Brands, adidas, Bestseller, C&A, Esprit, G-Star, Gymshark, H&M, Inditex, Lindex, Lidl, Mango, Primark, Puma, New Look, Next, PVH, and Tchibo, still put workers lives in Pakistan at daily risk. These life-threatening hazards demonstrate the need for an immediate expansion of the International Accord to Pakistan. Clean Clothes Campaign and allies call on all brands that have not yet done so to sign the International Accord and to actively support the expansion of the Accord safety programme to Pakistan.

We urge brands to ensure that the Pakistan programme meets with demands from Pakistani unions and will meet the previously foreseen timeline of a public launch of the operations by January 2023. Brands also should publicly share investigation and remediation plans for the factories listed in this report and bring them under the Accord's oversight.

Image: Demonstration organised by NTUF and HBWWF shortly after the Ali Enterprises fire

A brief released by Clean Clothes Campaign November 2022 Ali Enterprises fire memorial, PILER

#### 10 YEARS AFTER ALI ENTERPRISES: GARMENT WORKERS IN PAKISTAN ARE STILL IN DANGER

11 September 2022 marked 10 years since the catastrophic Ali Enterprises factory fire in Baldia town, Karachi, Pakistan, claimed the lives of more than 250 garment workers due to egregious safety violations in the factory that brands and their auditors ignored. It was the worst fire in the history of apparel production anywhere in the world.

Survivors and family members of the deceased recall the devastating fire vividly. Noor Nahar, mother of Shafi Ul Islam, a young worker who died in the fire, states:

"My son was my universe and also he was the main earner of my family. After his death, I die every day, I will never forget him for my entire life."

While it has been a decade since the disaster, life-threatening risks persist for Pakistani garment workers. Apparel brands have failed to improve working conditions in most garment factories in Pakistan, placing most workers in virtually the exact same conditions that led to mass death at Ali Enterprises.

A recent <u>report from Clean Clothes Campaign and the Wales Institute of Social and Economic</u> <u>Research and Data (WISERD) at Cardiff University</u> identified deficiencies in some of the most basic provisions for factory safety in garment production in Pakistan, including those mandated by law. 85% of interviewed workers reported no access to properly enclosed exit stairwells in the case of a fire. One in five workers reported that their workplace lacked fire drills and was unaware of emergency escape routes and exits. Additionally, the survey found that independent factory inspections were not taking place in Pakistan.

Recently, the International Labour Organization (ILO) emphasised the importance of occupational health and safety by adding the principle of a safe and healthy working environment to the Fundamental Principles and Rights at Work, ILO's core conventions. According to the UN Guiding Principles for Business and Human Rights, companies have a responsibility to "Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts." This includes the supply chains of fashion brands.

Widespread calls to quickly live up to the promise to expand the International Accord for Health and Safety in the Textile and Garment Industry beyond Bangladesh have come from trade unions and labour organisations in Pakistan as well as from global unions, human rights organisations and advocacy groups internationally, and even some garment brands. When brands finally signed the new International Accord last September after lengthy negotiations, they agreed to an expansion of the Accord programme to at least one new country within the course of the agreement (i.e. by October 2023). The process to expand the Accord programme to Pakistan is in an advanced stage of development, but agreement on the exact form and parameters of the programme remains outstanding, as does a decision on when to start rolling out the programme publicly. One year into the current Accord agreement – ten years after the Ali Enterprises fire and nine years after the first Accord was implemented in Bangladesh – it is high time to ensure that a strong programme that meets the needs as formulated by the Pakistani unions becomes a reality for the garment and textile workers in Pakistan who remain unprotected.

By listing recent factory incidents and violations in supplier factories of major international garment brands, this brief aims to show that the official start of the Pakistan Accord cannot wait and that it is paramount that the programme is modelled on the specific needs of Pakistani workers and their representatives.

Saeeda Khatoon, chair of the Ali Enterprises Fire Affectees Association, who lost her son in the fire: "We have not forgotten our children, we are fighting for the other children who are working in unsafe factories."

# RECENT INCIDENTS AND VIOLATIONS IN MAJOR BRANDS' SUPPLIER FACTORIES

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Between January 2021 and January 2022 alone, based on publicly available reporting of factory incidents, we have recorded 15 deaths in garment and textile factories in Pakistan. That number does not include the 16 deaths in August 2021 in a fire reminiscent of the Ali Enterprises disaster in a suitcase and wallet factory in Mehran Town, Karachi. Since January 2022, about two dozen more workers in garment, textile and related industries sustained injuries. Since the start of 2021, Clean Clothes Campaign has found 43 mentions of serious safety incidents in Pakistani factories which made it to English language media.1 Further to this, based on a survey of almost 600 factory workers in Pakistan by Clean Clothes Campaign, Labour Education Foundation (Pakistan), National Trade Union Federation (Pakistan), and the Pakistan Institute of Labour Education and Research and publicly available reports of factory incidents from newspapers, we have recorded multiple safety violations at facilities that supply both brands that have not yet signed the Accord, such as Gap, Nike, Levi's, Kiabi, JCPenney, Target Corporation, Kontoor brands (Lee), and Stichd, as well as Accord members such as adidas, Bestseller (Vero Moda), C&A, Ellos Group, Esprit, G-Star, Gymshark, H&M, Inditex (Zara), Fast Retailing (Uniqlo), Kid Interiør, Lidl, Lindex, Mango, Next, New Look, Primark, Puma, PVH, Tchibo, and Tesco.

Workers supplying brands like C&A, H&M, adidas, Fast Retailing, Next, and Bestseller consistently reported exits being blocked in their factories. Workers at factories producing for C&A, H&M, Primark, Mango, and Bestseller reported witnessing explosions and being exposed to electrical discharge and harmful substances. Workers at Inditex, Lindex, Bestseller, and H&M factories reported witnessing a fire in their factories. This is on top of public reports of <u>gas leaks at a factory</u> producing for H&M, PVH, G-Star, Target Australia, Target Corporation (USA), and Levi's. These violations demonstrate the need for immediate expansion of the International Accord through a strong country programme that meets workers' needs.

The list below is just a short selection among a considerably higher number of factories supplying major garment brands where major safety hazards have been reported.

## **ARTISTIC FABRIC & GARMENTS UNIT 11**

Sourcing Brands	H&M Group, Inditex, Bestseller, Lindex, Gap, Esprit, Mango
Incident	Workers reported witnessing a fire at Artistic Fabric & Garments.
How the Accord could have prevented this	The Accord regularly conducts electrical safety inspections and checks on remediation plans to reduce the risk of short-circuit incidents, one of the main causes of factory fires. It furthermore inspects all covered factories for fire safety, including immediate safety risks like blocked fire exits, to ensure that workers can make a safe escape in case of fire.

## **ARTISTIC MILLINERS UNIT 5**

Sourcing Brands	H&M Group, PVH, G-star, Target Australia, Target Corporation, Levi's
Incident	<u>Four workers died at Artistic Milliners</u> Unit 5 in Karachi, Pakistan, after inhaling poisonous gas in January 2022.
How the Accord could have prevented this	A workers' health and safety committee, in conjunction with the Accord's Safety and Health Complaints Mechanism, could well have played a vital role in preventing the incident. In preparation for expansion to another country, the Accord should also consider expanding the scope of its inspections to include safety risks related to hazardous substances.

## DENIM CLOTHING COMPANY, SC, STREET 01, SECTOR 19

(2) Gap reports they ceased sourcing here in August 2022. Under the Accord they would remain responsible for corrective actions of the safety violations that occurred while they were having production there even after they ceased sourcing.

Incident	Workers at Denim Clothing Company reported multiple incidents, including witnessing an explosion and being exposed to electrical discharge and harmful substances.
How the Accord could have prevented this	Under the Accord programme, the factory would be regularly inspected for electrical, fire, and building safety. Workers would learn to identify and report Occupational Health and Safety risks. The factory would be required to develop a plan to remediate safety hazards, with support from the sourcing brands.

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## NISHAT MILLS LTD.

Sourcing Brands	H&M Group, Next, Tesco, Kid Interiør, Ellos Group
Incident	Workers reported incidents of exits being blocked at Nishat Mills Ltd.
How the Accord could have prevented this	The Accord regularly inspects all covered factories for fire safety, including immediate safety risks like blocked fire exits. Workers are also taught to look out for these risks and report them through their factories' Safety Committee or the Accord's Safety and Health Complaint Mechanism. A clear example of the importance of clear fire exits is that analyses of the deadly Ali Enterprises of 2012 show that most workers would have escaped their death if there had been clear and safe escape routes and unblocked exits. <b>3</b>

## NISHAT MILLS LTD. UNIT 2

Sourcing Brands	Bestseller, Next, New Look, Bestseller, Tchibo, Kontoor brands, Kiabi, JCPenney
Incident	Workers reported incidents of exits being blocked at Nishat Mills LTD (Apparel Division), Unit 2.

(3) While we have chosen to show different elements of how the Accord prevents emergency exits from being blocked in the four instances of reported blocked exits in this brief, the actual response to such a violation would be similar in every instance where it would be detected by engineers or reported by workers.

How the Accord could have prevented this

The Accord regularly inspects all covered factories for fire safety. These regular inspections also ensure that factory management cannot return to dangerous practices such as blocking fire exits with the finished products, thereby impeding workers from fleeing in case of a calamity.

## **INTERLOOP LTD (HD05)**

Sourcing Brands	C&A
Incident	Workers reported incidents of exits being blocked at Interloop Ltd HD05.
How the Accord could have prevented this	The Accord's regular inspection of safety exits would have included clear instructions to remove objects obstructing fire exits and the removal of lockable doors. Follow-up inspections would have ensured that these practices did not return and workers could leave the factory safely in case of a fire.

## **INTERLOOP LTD (HD02)**

Sourcing Brands	C&A, H&M Group, Fast Retailing, Levi's, Target Corporation, Primark, Lidl, C&A, Stichd, Puma, adidas, Gymshark, Nike, Fast Retailing.
Incident	Workers reported incidents of exits being blocked at Interloop Ltd HD02.
How the Accord could have prevented this	The Accord's inspection system, worker trainings, worker complaint mechanism and Occupational Health and Safety Committee programme would have all been avenues that would have raised the problem of blocked exits, and the Accord's binding mechanism would, through the responsible brands, have held the factory owners responsible to ensure safe and accessible fire exits sustainably.

#### Khalid Mahmood, Director of Labour Education Foundation in Pakistan: "Even though the health and safety laws in Sindh and Punjab provinces have been strengthened in the last few years, without proper implementation of these laws and absence of effective labour inspections, workers' safety cannot be ensured".

This short list of safety incidents is just the tip of the iceberg of the current worker safety situation in Pakistan. Many more serious and even deadly incidents can be found in English language media, and local media, or might even never have been reported on. Several brands have indicated that they are investigating these specific incidents, the results of which should be made public (in the form of an investigation report and corrective action plan as is the Accord practice) to ensure that workers can engage and confirm (or deny) that the corrective action indeed is taking place and bring them under the Accord's oversight as soon as the programme started in Pakistan. Beyond immediate remediation in these instances, however, more structural action is needed. **All brands sourcing from Pakistan, whether they are named in this report or not, should take the following next steps:** 

- 1. Brands which have not yet done so, such as Gap, Levi's, Kiabi, JCPenney, Target Corporation, and Kontoor brands should sign the Accord immediately in order to become part of the new Pakistan Accord as soon as it launches.
- 2. Brands which are already part of the Accord should make sure that a Pakistan Country Programme is operational by January 2023, and that the programme itself meets the needs of Pakistani workers, as voiced by Pakistani unions (p. 8).

## THE ROADS TOWARDS AN ACCORD PROGRAMME IN PAKISTAN

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The process towards the initiation of a Pakistan Country Programme is in the hands of the International Accord's Steering Committee, which is comprised of 50% brand representatives and 50% union representatives. This equal division of power is one of the defining elements of the Accord, which sets it apart from the many failed Corporate Social Responsibility models both prior to and since the deadly Rana Plaza collapse in Bangladesh in 2013. Additionally, labour rights NGOs (including Clean Clothes Campaign) are signed on to the Accord as witnesses and participate in the Steering Committee as observers, thus enhancing the transparency and accountability of the Accord Steering Committee.

The current International Accord started in September 2021 with the provision that its programme would be expanded to at least one country. The Accord's Steering Committee <u>shortlisted</u> four priority countries for potential expansion at the beginning of 2022. After various feasibility studies, the senior staff recommended the initiation of a programme in Pakistan. The Steering Committee agreed that Pakistan was the most suitable country for immediate Accord expansion, and signatory brands indicated agreement with expansion to Pakistan. Accord <u>meeting notes of July 2022 indicated</u>, "There is general support to expand the Accord's work to Pakistan. Not a single brand questioned this." A timeline was circulated to all signatories by the end of July, with a number of activities leading up to a public launch of operations in Pakistan by January 2023.

But by the ten-year Ali Enterprises anniversary in September, concrete action to match that timeline was still lacking. Although since then positive steps have been taken - including the presentation of a proposal for a detailed and phased implementation plan, development of the pilot inspections that were foreseen under the feasibility study, and follow-up meetings with all signatories – the actual content and start date of the programme are still under discussion.

The decisive next step towards implementing the Pakistan Country Programme will be to agree on the exact parameters of this programme, which, because of national differences, will not be an exact copy of the programme in Bangladesh. It is of immense importance that the Pakistan country programme is strong and contains all the elements needed to prevent factory incidents as those mentioned in this report.

Nasir Mansoor, General Secretary of the National Trade Union Federation in Pakistan: "Workers and local unions have been demanding a binding safety agreement for years. Implementing the International Accord in Pakistan would not only ensure the safety of workers but also ensure workers have space to negotiate directly with brands and factory workers. Workers in Pakistan are in desperate need of a binding safety agreement, not only to fix safety issues within factories but also to provide workers security by fixing the low rates of worker registration."

Twelve Pakistani unions and NGOs, united in the Pakistan Accord Working Group and representing garment workers all over the country, <u>in 2018 and again in 2019</u>, emphasised that for a Pakistan programme to be successful, it will need to include the following:

- a scope that covers fire, electrical, boiler, gas and chemical safety and all aspects of the Occupational Health and Safety protocols along with adequate infrastructure such as access to clean drinking water, a separate area for food consumption and adequate sanitation facilities.
- coverage of all levels of supply chain including textile production and home-based workers
- equal or majority participation from unions in programme governance.
- direct signatures of genuine union federations that represent Pakistan garment/textile workers and brands, with NGOs as witness signatories.
- a workers' complaint mechanism covering all legally required wage standards, workers' rights and women's rights, and that complaints must be investigated, with option of judicial review.
- measures to strengthen the existing safety mechanism, mandatory safety training programmes for all workers in a factory along with establishment of dedicated safety committees with all relevant procedures in place.
- promotion of labour rights and Freedom of Association in Pakistan through raising awareness and advocating for law enforcement as well as efforts to ensure all covered workers have employment letters and are registered with social security institutions.



The unions stressed that for the Pakistan Country Programme to be successful in keeping workers safe it needs to live up to the standards set by the Bangladesh Accord and the basic principles that safeguard its effectiveness, including equal power sharing, enforceability, and transparency (p. 10). Additionally, the Country Programme should address Pakistan-specific worker issues, such as attention to worker registration, the safety issues that are most felt among workers in Pakistan, and their demand to cover the full garment and textile workforce.

Zehra Khan, General Secretary of Home Based Women Workers Federation in Pakistan: "It's clear that workers' safety is a gendered issue, with women faring consistently worse than their male counterparts in the garment industry. Implementing the Accord would have enormous benefits for women's safety in the workplace and would give us a mechanism to have our complaints properly heard and responded to."

The incidents in this brief show why such a specific approach for Pakistan which takes into account workers' needs and the unions' consensus, is vital. The workers in the textile mills who faced safety hazards will need to be able to reach out to the workers' complaint mechanism as soon as the programme starts, and cannot be excluded. The workers in two of the named factories which faced hazards of harmful substances need to know that there is a programme with a broad scope which covers this recurring risk. The fact that workers in many of the cases mentioned above report life-threatening safety issues that can be fixed quickly and easily, such as blocked fire exits, shows that the programme's worker complaint mechanism needs to start immediately so that all workers who contribute to the clothes sold by Accord companies can start raising the safety hazards they are facing.

It is vital that Pakistani workers, as the primary rights-holders, as well as other Pakistani stakeholders, are no longer left in uncertainty about whether and when Accord operations will start in their country. Workers in Pakistan, including those in the supply chains of Accord signatory brands, face life-threatening risks on a daily basis. They deserve to know if the Accord decides to protect their safety or not and what form it will take. After a ten year wait since the Ali Enterprises fire, they have a right to expect a programme that meets their needs. At the moment of publishing this brief, follow-up discussions about the content have been scheduled, but no Accord Steering Committee meeting has been planned yet to make these decisions. For the sake of Pakistan's workers and the accountability that has been crucial to the Accord's success it is paramount that these discussions lead to a strong country programme and a publicly announced decision that operations in Pakistan will start by the beginning of next year.

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Nasir Mansoor, General Secretary of National Trade Union Federation in Pakistan, states, "The factory incidents highlighted by the workers in Pakistan show how dire the need is for Accord expansion. Workers deserve to feel safe and protected when going to work, and the Accord should start its operations before the end of the year. The Pakistan Accord should protect workers in garment factories, in textile mills, and in informal small workplaces alike. We understand inspecting all units will take time, but all those workers should have the right to file complaints if they are in danger from the start of the programme."

Zehra Khan, General Secretary of Home Based Women Workers Federation in Pakistan, states, "For us as trade unions one of the most important principles from the Accord is the equal sharing of power. Under the Pakistan Accord workers and companies each should have the same amount of power. Then we can trust the organisation to be truly independent and to make workplaces safe in a credible and transparent way for all workers in the garment supply chain."

### **ANNEX: THE PRINCIPLES BEHIND THE ACCORD'S EFFECTIVENESS**

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The Accord has been successful preventing mass casualties in the garment industry, where other programmes have failed because of a unique combination of elements:

- its legally-binding nature, where unions can ultimately take the brands to court if they fail to respect the terms of the agreement;
- its governance is based on equal power-sharing between brands and unions: each has 50% of the seats on the Steering Committee;
- the brands' collective leverage, whereby employers can be refused the right to produce for all brands at the same time when they don't remediate safety hazards as identified by the Accord;
- rigorous and independent inspections, with the Chief Safety Inspector, empowered to act and decide without restriction or interference, including from the Steering Committee;
- public accountability and high levels of transparency and disclosure: all inspection and remediation reports are made public, and labour rights organisations participate in the programme as witness signatories with access to all documentation and act as observers to the Steering Committee meetings, whose minutes are also made public;
- the brands' obligations to financially support remediation of safety hazards identified in the factories they source from;
- an independent complaints mechanism, where failure to remedy per the Accord determination is subject to the same commercial consequences as for other safety inspections.

The Pakistan Accord programme, which will be established under the International Accord agreement, will need to "align with the principles, protocols, procedures, policies and programmes of the Bangladesh Accord", most importantly the ones listed above.