



Mr Mark McInnes
CEO - The Just Group
658 Church Street
RICHMOND VIC 3121

Thursday 12 February 2015

Dear Mr McInnes

Re: Bangladesh Fire and Safety ACCORD, Freedom of Association, Transparency and Living Wages

I write to follow-up previous discussions and correspondence between The Just Group and Oxfam Australia and in relation to the above mentioned items.

1 - Bangladesh Fire and Safety ACCORD

Oxfam has continued its advocacy in relation to the Bangladesh Fire and Safety ACCORD and is pleased that eight major Australian retailers have now signed the ACCORD, including Cotton On, Forever New, Kmart Australia, Pacific Brands, Pretty Girl Fashion Group, Specialty Fashion Group, Target Australia and Woolworths Australia. Oxfam urges The Just Group to follow the example of its competitors and sign the ACCORD.

The ACCORD represents the highest standard in 21st Century collaboration between companies, unions and Bangladesh groups. It is superior to the Alliance for Bangladesh Worker Safety in a number of respects.

The ACCORD is clearly premised on the belief that sourcing companies as well as factory owners have responsibility for healthy and safe workplaces in the supply chain whilst the ACCORD specifically limits such responsibility to the factory owner. The ACCORD is a joint company and worker agreement which includes workers equally in the decision making process whilst the Alliance is a corporate initiative that has very limited involvement from workers.

Safety inspections carried out by the ACCORD are fully independent, external and transparent whilst under the Alliance safety inspections are not fully independent and control is retained by the companies; it is heartening to see that the Alliance has now committed to publishing some reports. The safety inspections carried out by the ACCORD appear to be more rigorous than those carried out by the Alliance. This has been demonstrated with some factories, shared by companies from both agreements, inspected by the Alliance and passed as safe being issued with closure notices by ACCORD inspectors.

NATIONAL OFFICE 132 Leicester Street, Carlton VIC 3053 Australia Tel +61 3 9289 9444 Fax +61 3 9347 1983
SYDNEY Level 3, 25 Cooper Street, Surry Hills NSW 2010 Australia Tel +61 2 8204 3900 Fax +61 2 9280 3426
ADELAIDE Level 2, 5-7 Hutt Street, Adelaide SA 5000 Australia Tel +61 8 8236 2100 Fax +61 8 8240 7666
BRISBANE Level 6, 269 Wickham Street, Fortitude Valley QLD 4006 Australia Tel +61 7 3637 4600 Fax +61 7 3857 2173
PERTH 5 King William Street, Bayswater WA 6053 Australia Tel +61 8 9262 8200 Fax +61 8 9371 9405

www.oxfam.org.au

The ACCORD is legally binding and enforceable through arbitration and local courts whilst the Alliance is not, the only legally binding provisions of the Alliance relate to the membership fee. The ACCORD respects, recognises and protects the rights of workers to withdraw labour from unsafe workplaces the Alliance limits its recognition of these rights and only acknowledges them in a last minute addendum to the agreement.

The ACCORD's provision for the funding of remediation of factories contains enforceable contractual commitments to ensure funds are available whilst the Alliance does not contain any enforceable contractual commitments to ensure funding is available. The ACCORD contains strong enforceable provisions relating to workers unable to work as a result of factory closures under the Alliance these provisions are not guaranteed, are limited and not enforceable. The ACCORD commits members to long term sourcing agreements to ensure stability in the industry in Bangladesh whilst the Alliance is silent on this subject.

The Alliance remains very limited and relatively ineffective with only 26 companies signed up whilst the ACCORD has now been signed by at least 190 companies from around the world, including 7 of the 10 largest clothing retailers, with more joining every week.

The ACCORD ensures:

- independent and publicly disclosed building inspections overseen by an impartial and non-aligned chief safety inspector,
- mandatory and time bound factory renovations and repairs to eliminate building and fire hazards,
- mechanisms for workers to report health and safety hazards as well as safety training program with trade union involvement.

With 80% of workers in the Bangladesh Garment sector female, women are the primary beneficiaries of the safety brought about by the ACCORD.

Oxfam has found that a growing number of Australians are concerned about workers' conditions in developing countries. The petitions that were presented to The Just Group supporting the Bangladesh Fire and Safety ACCORD are indicative of this but we believe represent just a small sample of the number of Australians concerned.

I would like to take this opportunity to advise you that in the coming weeks Oxfam will once again be asking consumers to sign a petition urging The Just Group to sign the Bangladesh Fire and Safety ACCORD.

2 - Transparency – Releasing details of suppliers

With an increased focus on worker health and safety resulting from Rana Plaza and other factory catastrophes, many companies have adopted best practice and published their listing of factories in Bangladesh. Several Australian and world garment retailers such as Coles, Target and H&M have gone on to publish lists of their suppliers in other parts of the world such as India, Cambodia, Myanmar, Vietnam, India, Indonesia, China, Ethiopia and Kenya. They join industry leaders in transparency such as Nike, Adidas, Levi Strauss, Puma and Timberland.

The transparency provided by listing supplier factories provides consumers with a greater sense of satisfaction and knowledge of the product and allows for independent verification of workers' working conditions. Oxfam urges The Just Group to join these other leading retailers by publicly listing the details of its supplier factories in all locations. Such a listing would build on The Just Group' own auditing processes and broaden public assurances beyond Bangladesh to the whole of The Just Group' supply chain. .

3 - Living Wages

The concept of living wages is gaining momentum around the world as an important step towards ending extreme poverty and inequality. Several large industry players such as H&M are committed to moving towards, or are trialing, living wages in their supply chains. Several Australian companies are in discussions to trial a living wage based on measures such as the Asian Floor Wage. Other innovations include interim steps towards a living wage, such as paying the gap, and trialing lunch programs in Cambodia, as one leading Australian corporation is doing.

Oxfam Australia's work on labour rights will increasingly focus on living wages during the course of the next couple of years and I would welcome the opportunity to discuss this important initiative with The Just Group.

With a growing number of Australians expecting companies to provide workers in their supply chains with safe working conditions and living wages, companies wishing to be industry leaders need to show transparency in their supply chains and provide consumers with confidence that products are sourced in a socially and ethically sustainable manner.

I would welcome the opportunity to meet with you to discuss ways Oxfam could work with The Just Group to achieve this. Feel free to contact my Management Assistant, Heather Moors on 03 9289 9423 or email on heathermoors@oxfam.org.au.

Yours sincerely,



Helen Szoke

Chief Executive