FAQ about Rana Plaza and Children's Place

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What happened at Rana Plaza?

Rana Plaza was a large eight-story building in Savar, Bangladesh, that housed five garment factories, employing approximately 5,400 people and producing apparel for several well-known brands including The Children's Place, Loblaw, Benetton, Mango, Walmart, and others.

When employees reported to work on the morning of April 24, 2013, they were afraid to go inside because of the large visible cracks that had appeared in the building's walls. But managers ultimately forced them inside, threatening to dock their wages for the month if they did not meet shipment deadlines imposed by the brands. As a result, more than 3,000 workers were inside the building when it collapsed less than an hour later.

At least 1,138 garment workers were killed in the collapse and approximately 2,500 were injured. Many of the injured workers were trapped for days before being rescued, watching helplessly as their friends and colleagues died in front of them. Some of the survivors were freed from the building only after rescuers amputated their crushed limbs onsite. Many of the survivors are not able to find work, some too disabled by their injuries and others too traumatized. The injured workers and the families who lost loved-ones – for many, their only income-earner – are now trying to survive economic impoverishment amidst the pain and trauma. Families have had to pull their young children from school and send them to work just to put food on the table and keep a roof over their heads. Some have even been forced to beg in the street just to survive.

What are you asking The Children's Place to do?

We are asking The Children's Place to pay full and fair compensation to the victims of the Rana Plaza building collapse: to the children who were orphaned, to the injured workers, and to the families of the people who were killed. The collapse of Rana Plaza was a direct result of corporate negligence by The Children's Place and other brand buyers. The building was structurally unsafe, yet the company continued to place orders there, apparently unconcerned with the imminent danger workers faced every day they reported to work.

We're calling on The Children's Place to pay a total of US$8 million to the Rana Plaza Donor Trust Fund, less than half of what its CEO, Jane Elfers, earned in 2012, to help bring justice to the victims. As the "largest pure-play children's specialty apparel retailer in the United States" with $655.5 million in profits in 2013, it is well within the company's ability to pay the $8 million it owes to the Rana Plaza victims.

How has The Children's Place responded so far?

A few days after the Rana Plaza building collapse The Children's Place said that although a garment factory inside Rana Plaza had produced apparel for it, "none of our apparel was in production there at the time of this terrible tragedy." However, according to The New York Times, customs documents showed that over the eight months prior to the building collapse, New Wave Style factory, the largest of the five factories inside Rana Plaza, had made more than 120,000 pounds of clothing for The Children's Place. The most recent shipment had arrived in the United States less than a month before the building collapse. Reporters found numerous Children's Place garments and labels in the rubble. There is no question that The Children's Place had a significant and ongoing relationship with New Wave Style factory and that the company must now pay full and fair compensation to the victims.

On May 1, 2013, The Children's Place said "our primary concern is getting financial aid and other services to the impacted people in Savar in a timely manner and we are fully committed to doing so." However, nearly a year later, The Children's Place has failed to follow through on this commitment. On March 26, 2014, the company made a US$450,000 contribution to the Rana Plaza Donors Trust Fund – less than 6% of what it owes to the victims. This amounts to less than $200 per affected family and is an obvious attempt by The Children's Place to deflect public pressure without taking any real responsibility. The contribution, less than what CEO Jane Elfers earns in a week and a half, is too little, too late.

We call on The Children's Place to immediately contribute the full $8 million to the Rana Plaza Donors Trust Fund.

What should The Children's Place do to prevent future tragedies at the factories in Bangladesh that make its clothing?

The Children's Place should sign onto the legally-binding Accord on Fire and Building Safety in Bangladesh, an agreement between more than 150 companies, two global unions and seven Bangladeshi unions. The Accord is a five-year program of independent safety inspections with public reports of the findings; mandatory repairs and renovations to address all identified hazards; and a central role for workers and unions, including worker-led health and safety committees in all factories and access to factories for unions to educate workers on how they can protect their rights and their safety, including their right to refuse dangerous work. The companies in the Accord commit to work with their suppliers to secure financing, maintain orders, and ensure renovations are completed to make factory buildings in Bangladesh safe. The Children's Place can help prevent more workers from being killed in its Bangladesh supply chain by joining the Accord.

What about Loblaw, what have they done?

Clothes bearing Loblaw's Joe Fresh label were also found in the rubble of the Rana Plaza building. However, unlike The Children's Place, Loblaw responded to public pressure by signing the Accord on Fire and Building Safety in Bangladesh, and as a result independent inspections are taking place at all of its supplier factories in the country. Loblaw was also one of the first

companies to contribute to the Rana Plaza Donors Trust Fund. To date, Loblaw has contributed $2 million and pledged to contribute an additional $1 million to the Fund. We are calling on Loblaw to increase its contribution to a total of $8 million.

What was Walmart's connection to Rana Plaza, and what have they done?

Although Walmart initially claimed they had no connection to Rana Plaza, documents found in the rubble by the Bangladesh Centre for Worker Solidarity revealed that a Walmart contractor from Canada had had jeans produced in a factory on the fifth story of the building in 2012.

Walmart should have known about the serious structural problems in the multi-story building and should have taken action to correct those problems that ultimately led to the workers' deaths.

We are asking Walmart – the world's largest retailer – to contribute a total of $17 million to the Rana Plaza Donors Trust Fund in order to provide long-term compensation to the families of those who died and to the workers who were seriously injured.

After Walmart had refused for almost a year to provide any compensation to the Rana Plaza victims, on March 26, 2014, the NGO BRAC USA announced that the company had made a contribution to its humanitarian fund, and that some of that contribution would go to the Rana Plaza Donors Trust Fund. Walmart later confirmed that $1 million of its contribution to BRAC USA would go to the Trust Fund.

Although Walmart contributing any money to victims of a tragedy in one of its supplier factories is an important precedent, the amount is totally inadequate. We are calling on Walmart to pay an additional $16 million to the Trust Fund.