

A CARREFOUR / FIDH DRAFT CASE STUDY ON THE RIGHT TO DECENT WORK

Empowering workers through training on fundamental rights at work in Bangladesh

The situation

-What was the company's business role in the country?

Bangladesh is originally a rural country and the rural economy constitutes a significant component of the national GDP. Almost 80 percent of Bangladesh's population lives in rural areas. Yet, the textile industry has started to expand, when the Multi-Fibre Arrangement restricted imports of textiles from developing countries to developed ones (the poorest countries such as Bangladesh were excluded of the arrangement). This Arrangement expired the 1st of January 2005, however Carrefour committed to continue sourcing from Bangladesh. Today, it employs 2.4 million workers on a total population of 144 million people and it **provides 76% of total exports**. Most factories are located in and around Dhaka, the capital city.

Bangladesh has now earned recognition in the world market for its competency in the production of textile and ready-made garments. Since Bangladesh's main asset is its human resources, the business in textile and garment manufacturing can still grow at a high rate. Many foreign investors are now looking at the possibility of investing in Bangladesh.

Yet, Carrefour has been sourcing from Bangladesh for more than 8 years. Over 50% of the basic apparel products bought by Carrefour in Europe are supplied by Bangladesh from 41 suppliers. Started in 2001, the local Global Sourcing Carrefour office has an operational team of 34 persons. The missions of the sourcing office are to source from suppliers according to our values (based on social issues), to negotiate acceptable terms, to follow our production, and to ensure product quality and safety.

As one of the world's leading retailers, operating in more than 30 countries, Carrefour is committed to building sustainable relationships with its suppliers and partners. Carrefour deals with an extensive range of players, and its commitment to them is based on a desire for real progress, which in turn guarantees relationships that are both honorable and sustainable. The Carrefour Group closely monitors working conditions at the production plants where its products are manufactured. It is of course the case in Bangladesh, where Carrefour gives priority to assisting its suppliers to respect human rights.

-What human rights issue had arisen (even if it was not seen as a "human rights" issue at the time)?

-Why had the issue arisen? Was it due to the context?

Bangladesh is classified as a least-developed country (LDC) and ranks 140th out of 177 in UNDP's Human Development Report 2007/2008. An estimated 40% of the population lives below the poverty line (Population living below \$1 a day) and adult literacy, at 47,5%, is among the lowest in the world. As in other developing countries, labour conditions are often tough and violations of fundamental rights in the workplace quite usual. The main concerns are: child labour, safety of workers, working conditions, lack of freedom of association, no living wage, excessive working hours.

Child labour: Ten years ago the most pressing human rights sourcing issue was Child Labour. It was under this sourcing issue that in 1997/98, Carrefour approached FIDH (International Federation for Human Rights) to assist Carrefour in establishing an approach aiming at the respect of international human rights standards, particularly labour rights in its suppliers factories. Since then however, Child labour seems to have been eradicated from the garment industry in Bangladesh, at least in factories producing for export. This is thanks to coordinated action by the government, international institutions such as the International Labour Organization (ILO), and monitoring of suppliers by international buyers, etc.

The Safety of workers is also at stake: in April 2005, a Garment factory "Spectrum" collapsed. During this tragedy, 64 workers died and hundred were injured. This tragic accident made all actors including international buyers, the Bangladeshi authorities, factories owners, and civil society realise the importance of joint efforts to achieve compliance with safety and health regulations as well as with labour laws in garment factories in Bangladesh. The scope of social Responsibility must be shared between public authorities and the economic actors.

Working conditions in export garment factories have improved over the last years in Bangladesh, illustrations of such improvements include: increased compliance with health and security regulations, less verbal abuse, increased compliance of minimum wage payment; increased number of contracts etc.

However many issues are still worrisome, in particular lack of freedom of association, no living wage, excessive working hours etc.

Freedom of association is largely theoretical in garment factories in Bangladesh. There is in reality no acceptance of the right to unionize at the factory level and owners fear trade unions. The situation has worsened since the state of emergency was declared in January 2007: all union activity is banned. It is felt by unions that factory owners are taking advantage of the political situation and of the fact that the caretaker government is not accountable. Some factories have established so-called participation or social welfare committees, where the management most often designates «representatives» of the workers. In Export Processing Zones (EPZs), restrictions on trade unions - although partially lifted in 2004 and 2006- still apply.

Minimum wage and living wage: Set by the Wage Board, the minimum wage was increased for all categories of workers in the garment industry and came into effect on 22 October 2006. It is now set at 1,662.5 Taka per month (about 16 EUR) for a Grade 7 worker (entry-level, unskilled). Compliance with the minimum wage has increased however, it is reported that the increase of wage has been matched with a decrease of production bonuses, etc. Even after its recent revision, the legal minimum wage remains the lowest of the South east of Asia, and insufficient to cover basic needs, in particular in a context of important price hikes. Living wage estimates vary between 2,500 and 7,000 Taka per month.

Excessive working hours are also a common feature in garment factories in Bangladesh, and are closely linked to the low wages, as workers need to work overtime to gain a higher salary.

-What relevant laws and human rights obligations (created by signing treaties) did the government have? Was the government able and willing to enforce the laws and meet its international human rights obligations or was this the reason why the company needed to get involved?

Bangladesh is a party to most of the fundamental ILO Conventions including Conventions 87 and 98 on Freedom of association and collective bargaining, Conventions 29 and 105 on the Elimination of forced and compulsory labour, Conventions 100 and 111 on Elimination of discrimination in respect of employment and occupation 100, 111 and of Convention 182 on the Worst forms of child labour. Bangladesh is also a party to the International Covenant on Economic, Social and Cultural Rights (ICESCR).

However, Bangladesh has not ratified Convention 138 on the Elimination of Child Labour, and enforcement of the above-mentioned conventions is a constant concern.

The labour law of Bangladesh was revised in 2006. All relevant laws are now included in one document. On the whole this new legislation (the initial labour law text dates back to 1969) constitutes a progress with regards to the previous legal framework. Improvements include the extension of maternity leave from 12 to 16 weeks, and the facilitation to create trade unions in specific sectors.

However, since January 2007, Bangladesh has been in a state of emergency. During the State of Emergency, the basic human rights provisions enshrined in the Constitution of Bangladesh are suspended, including freedom of movement, assembly and association.

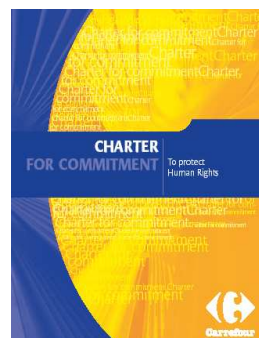
-What has the company done on this issue already and how did this case study fit into it?

It is largely accepted that companies' activities have an impact on Human Rights in the countries in which they are present. Their responsibility in this matter is now recognized. Since 1995, Carrefour has committed to promote, respect, ensure the respect of, and protect Human Rights in its industry and its own business sector.

As a responsible company in the world economy, it is up to the Carrefour Group to work towards the respect for universal fundamental rights internally, as well as externally.

In 1998, Carrefour began discussions with the International Federation for Human Rights (FIDH) on ways to improve respect for human rights in the supply chain. FIDH is an international human rights NGO bringing together 155 national human rights organizations around the world. Carrefour and FIDH created a joint association called INFANS in 2000.

FIDH assisted Carrefour in adopting a supplier Charter (2000) based on fundamental ILO Conventions, and a methodology for monitoring the implementation of this Charter, which is signed by all our suppliers concerned by our own brand, first price and no name product. This charter takes into account all fundamental labour rights (child labour, forced labour, freedom of association, working



hours and wages, working conditions, discrimination).

This monitoring system includes external auditing by specialized second party laboratories and the possibility of a third party audit by any person of the FIDH and its partners:

Three audit steps are planned:

1. An internal control conducted by Carrefour quality and commercial teams
2. An external control conducted by professional auditors and set to include initial and regular re-audits
3. A random check conducted by the association INFANS.

In 2002, FIDH decided to stop its systematic monitoring of audits and to focus on further initiatives for respect of human rights in the supply chain.

To ensure that suppliers comply with the Charter, especially in countries requiring particular attention like China, India and Bangladesh, Carrefour conducts social audits outsourced to auditing companies. In the event of non-conformity, a corrective action plan is put in place. The Group gives priority to assisting its suppliers, only removing them from supplier lists if they are in serious breach of the charter or refuse to apply corrective measures.

At the end of 2008, 2,519 external social audits will be conducted globally. For Bangladesh, in 2007, we had realized 74 social audits (92 % of this social audit was non-announced to the suppliers).

This supply chain approach is coherent with the internally approach put in place for Carrefour's employees. In order to preserve the rights of its employees worldwide, Carrefour has also signed an agreement with the UNI (Union Network International) in 2001. In 2004, the Group adopted a Code of Ethics submitted for signature to the Group management (Directors, managers) updated and renamed code of Conduct in 2007. This Code of Conduct expresses the Group's core values and commitments and formalizes standards of ethical conduct to be adopted every day both in-house and externally with the Group's stakeholders.

Trainings of Carrefour's employees on the Charter and human rights at work have been on going since the adoption of the Charter.

Following several visits of FIDH to Bangladesh, it became obvious to Carrefour that Social Auditing alone had its limits. Social auditing by all the main retailers sourcing from Bangladesh has brought about some significant changes. However, the most important issues cannot be solved through this process alone. Thus, other initiatives need to be strengthened.

Considering that respect for human rights should not be a competitive feature between companies, Carrefour has been involved in **discussions with other retailers**, in order to avoid duplication in audits and to share best practices.

Co founder of the Initiative Clause Sociale (ICS), Carrefour has been sharing audit results in this framework in France since 10 years. Carrefour went even further in 2006 when it took part in the creation of the **Global Social Compliance Programme (GSCP)**, part of the CIES (International Committee of Food Retail Chains), bringing together retailers such as Tesco, Wal-Mart, Metro and Migros along with several manufacturers such as IKEA, Hasbro. This program aims to promote the harmonization of social-audit standards and the sharing of best practices in order to better assert the workers rights within the global supply chain. There are more than 1,000 standards around the world. Different companies could conceivably submit a single supplier to social audits several times per month and according to different criteria; this is a source of confusion. It is essential to put into place a single, consistent message to suppliers and to invest in raising awareness and training rather than multiplying the number of audits performed. The challenge is to bring together best practices as a means of raising standards. GSCP also associates civil society stakeholders (FIDH, Union Network International - UNI, CSR Asia and the UN Bureau for International Partnerships) through an advisory Committee to guarantee the Programme's integrity and inclusiveness and to rely on the widest range of knowledge and expertise.

More specifically in Bangladesh, Carrefour also decided to join the **Multi-Fibre Arrangement (MFA) Forum**, believing that speaking a common language would make retailers stronger. In September 2008, the retailers through the MFA forum wrote to the Bangladeshi government expressing their concern on the increasing cost of living due to inflation and increased price of basic foods. Carrefour through the MFA Forum calls upon the Government of Bangladesh to urgently convene the Minimum Wage Board and to introduce an annual review of the legal minimum wage levels. In addition, Carrefour through the MFA Forum, also calls upon the Government of Bangladesh to lift the restrictions on trade union activity invoked by the emergency power ordinance and to establish and implement a framework for mature industrial relations based on tripartite agreements, ILO conventions, and national labour laws.

- *Why did the company feel it needed to get involved in this issue or had something significant to add?*

Carrefour is an important economic actor committed to social progress and respect for human rights. It is recognized that companies have an impact on human rights, positive or negative. In a situation like Bangladesh, where the government is facing difficulties to control the respect of labour rights, Carrefour considers it is part of its responsibility to act in favor of human rights in its sphere of influence.

- *What was the business case? Risk to brand, business opportunity or because it was the right thing to do/in line with the company's ethos?*

The respect for fundamental human rights is the primary responsibility of States.

In some countries, in practice, companies assume responsibilities in this field. Carrefour sources its products from all around the world: in both developed and developing countries. Some of the countries in which our products are manufactured have ratified the international standards of the ILO and the UN, but do not ensure their respect, and some countries haven't ratified them. This is the reason why in these countries, Carrefour has to help its supplier to respect the universal principles of human rights, and put in place training, and audits. As an international retailer, it is our responsibility to foster a responsible trade.

Launching this approach is linked to the company's ethics, values and social responsibilities. Carrefour has a 10 years public commitment to promote the respect for Human rights in the supply chain and takes the initiative with its suppliers to permanently improve the respect of the fundamental rights announced by the ILO. Moreover, Carrefour is also convinced that this is not a matter for competition and has been sharing the results of its social audits led for eight years.

It is very important that the Group's own brand products carry its commitments and values. It is important in terms ethics of course but also in term of image and risk prevention. Customers' expectations have evolved. They want to have information about the safety and the quality of the products, but also about their manufacturing conditions. This need for information have been reinforced by NGO campaigns pointing out working conditions in the production sites of developing countries that were manufacturing goods sold on European and American markets. During the last 5 years, the customers have shown more and more concerns on this issue. Though Carrefour has not been waiting for the consumers concern to initiate this approach. Monitoring the social manufacturing conditions of our products has always been very important for our Group, for our relations with our suppliers and, of course, for our brand image.

Beyond customers, a large number of our stakeholders, NGOs and particularly SRI (Socially Responsible Investment) rating agencies require from us information on social working conditions within our supply chain. Our progressive but more than 10 years approach gives us the legitimacy to demonstrate our leadership concerning this issue and the credibility of the Group's commitment. For its social commitment and environmental actions, Carrefour is present in 9 SRI index, which proved that Carrefour Policy is recognized.

Even if we have been involved on this approach for a long time, it is important to notice that it doesn't enable us to prevent all risks. It is a progressive approach, on the way that we are accompanying the suppliers.

The approach: a training program of workers, management

- *Why did the company choose a particular approach to address the challenge?*
- *What was the approach?*
- *Did the business have specific capabilities that enabled it to contribute? (such as training programs, technology, etc)*
- *What obstacles were uncovered and how were they addressed?*

In addition to the above-mentioned initiatives, workers themselves need to be empowered in order to defend their rights. To overcome the limitations of a top-down approach, and in a context where trade unions are de facto absent from factories, FIDH recommended Carrefour to organize trainings for its suppliers in Bangladesh on fundamental rights at work.

Consequently, a pilot project was initiated in 2004 to organize trainings addressing issues relevant to Human Rights in the workplace. The program was then launched in 2006 as a 3-year project for 2007-2009 with the objective of targeting **all Carrefour's suppliers in Bangladesh**.

Carrefour was aware of the existence of training programs implemented by certain NGOs on issues such as Health and Safety for example. However, Carrefour and FIDH wanted the training to tackle the pertinent issue of human rights at work. A local NGO called **Karmojibi Nari (KN)** was identified by INFANS (the joint FIDH-Carrefour association) to set up such a training program, in order to train our suppliers' employees and managers in their prerogatives and duties regarding labour rights.

Karmojibi Nari, which means "working women", is a Bangladesh NGO advocating rights for women workers in Bangladesh. It was created in May 1991 by a group of energetic young women activists. KN firmly believes that all women are 'working women'. It is also convinced that women, who have come out of 'home' to meet their economic needs, should protect themselves; and that will inspire others to be involved in the public sphere. Over the time, KN has reached about 450 thousand members of women workers and developed organizations of woman-workers in both the formal and informal sector.

The purpose of this training is to create conditions which will enable the workers themselves to voice their complaints, particularly in terms of safety, working hours or salaries.

This 3-year "fundamental rights at work" training program for workers, mid-level management and top-level management covering all Carrefour supplying factories was launched in 2006. It is named "To Ensure Decent Workplace for Better Livelihood and Increase Productivity".

Trainings sessions target three different groups, in the following order:

– Top-level management:

Carrefour's Global Sourcing office has a key role in convincing factory owners that training sessions for workers and management are valuable to the factory. This requires considerable involvement on the side of Carrefour to get acceptance from factory owners. Most factory owners fear that NGO activities will agitate workers, and resistance from factory management was high. A discussion between factory owners, Carrefour and KN takes place before the actual training in the factory, to present the objectives and content of the trainings. It is important to explain the link between social compliance and increased productivity, between rights and responsibilities of each actor. This 2-hour discussion takes place at Carrefour's office in Dhaka, which focuses on the content of the leaflets, the trainings schedule and other compliance-related issues that may arise. It is held between three or four factory owners, Karmojibi Nari and Carrefour.

– Mid-level management training:

This session consists of a one-day on site training. A main focus of the training is gender discrimination, and Karmojibi Nari trainers try to have an open discussion on its causes and solutions. From fifteen to twenty representative supervisors from different sections of the factory participate. This training is to help mild level participants to be well behaved, motivated and heedful towards workers, problem resolutions, and productivity maximization. This training is key, as conflicts between workers and their direct supervisors are common, supervisors being mainly male and about 75% of the workers being women.

– Workers training:

Most of the workers in this sector are uneducated, migrant workers coming from rural areas. Consequently, these workers are often not aware of their rights. The objective of the workers' training is to inform workers of their rights, and build their capacities in collective bargaining, organizational skills, and conflict resolution.

This training is composed of one-day training on site and a half-day refresher one month later. Each training group is composed of 20 workers (15 are selected by the management and 5 at random by Karmojibi Nari, a condition being that workers selected can read). The selection is supposed to reflect the proportion of male and female workers in the factory (usually around 60-80% female). Each worker receives 5 copies of the leaflets to distribute to other workers and is assigned the task to disseminate what he/she has learned. Materials used in the training sessions include a video created by Karmojibi Nari (which focuses on maternity leave and benefits) and leaflets presenting different aspects of the Labour Law.

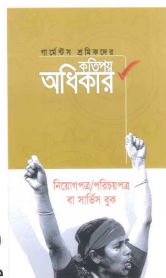


The 6 leaflets cover:

- (1) the right to an appointment letter (contract), the service book and ID card
- (2) wage, when it should be paid, how much it should be,
- (3) working hours,
- (4) occupational health and safety,
- (5) leaves for sickness, maternity, vacation and festivals,
- (6) duties and responsibilities – to be on time, discipline, good behavior, keeping facilities clean, reaching the target, reading the factory handbook, increasing skills, attitude towards women.



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Refresher Training:

Minimum one month after the workers' training refresher training is arranged in order to discuss any necessary follow-up and assess the results achieved since the last training.

The Carrefour group believes that this training should not be a source of competition, and is willing to exchange on this important experience with the other retailers or brands interested in beginning this kind of training with their suppliers.

What are the lessons learned and implications of this approach to the particular human rights issue?

Some facts concerning the training:

- 56 factories covered by August 2008
- Concerning our last year of training July 2007 – 2008
 - Top-level: 17 suppliers (23 people)
 - Mid-level: 22 suppliers (309 people)
 - Workers' training: 14 suppliers (255 people)

Refresher training: 8 suppliers

Concrete results:

Top-level management trainings: Factory owners are more and more convinced that they need to make efforts in the field of working conditions to keep their business with major international buyers such as Carrefour. Although Factory owners are extremely reluctant to allow trade unions, Carrefour has gained their acceptance of training for workers within the factories, which is extremely important. Without this program, no local NGO would have ever been allowed to access the factories and educate the workers within the workplace.

Mid-level management trainings: participants are found motivated at the end of the training. The management increasingly realized the importance of having women as supervisors.

Workers' trainings: it is important to note that, in the beginning of the training, workers are often very silent. However, using different methods such as games, helps to get participants that are more active. KN noticed that workers show a true interest in knowing about their legal rights. Women workers lack recognition in the factory, the family and society. Dignifying their role has shown to be very important. After the training workers are aware of the rights they have according to law (contract, wages, overtime, leaves...), they get conscious of issues such as sexual harassment and complaint procedure. At the refresher training, workers feel responsible for informing fellow workers of the content of the training. It was found that in some factories, workers were asking for their rights (maternity leave with wages, overtime rate, canteen facilities...) and concrete changes have happened in some workplaces following demands of workers. In a factory for example, workers demanded a welfare officer to be appointed which was accepted by management.

After the training, concrete positive impacts were noted in factory. In several factories, workers requested and obtained that their salaries including overtime payment be paid in time, and not with several weeks delay. In one factory, workers obtained appropriate maternity leave benefits as they realized thanks to the training that they had been granted less than the legal benefit in the past. In one factory, it was reported workers got appointment letters. Carrefour hopes that this kind of training by encouraging a dialogue between workers and management will also help avoid situations of violent conflicts in factories as it often happens at workplaces in Bangladesh.

Some factories have shown interest in training their workers, realizing that taking initiatives that indicate a positive attitude of the top-management to human rights issues was helping attract skilled workers, make them stay and create better working relations between workers and management.

Limitations, risks and improvements to be made

Most factory owners fear that NGO activities will agitate workers, and therefore resistance from factory management is high. As a result, the presence of factory management during workers' training is hard to avoid: top and mid-level management usually come to "check" or observe the workers' training, which is not convenient to conduct the training properly. Karmojibi Nari usually invites managers to leave after a couple of hours and tries to balance its message and make the link between social compliance and increased productivity, between rights and responsibilities of each actor. Practical difficulties are also encountered, such as delays in implementation. The program was suspended for some time during social unrest in 2006 on the demand of KN.

Freedom of association: although it is a fundamental right at work, it has not been directly addressed during the trainings: There are no leaflets on freedom of association, on the right to unionize or on profit sharing for employees, although the law covers these provisions. It appears that factory owners were consulted and that some reacted negatively (vetoed) to the integration of these issues in the trainings. Karmojibi Nari decided not to publish leaflets on these issues, because it felt it was too confrontational during this unrest period.

- Developing new methods: The next session will be realized with additional materials. A video-documentary on a 'model RMG factory', illustrating decent work place and better productivity, will be developed for top level management, mid-level managers and workers. This video would cover individual rules, mid level managers' roles, responsibilities, workers' roles and responsibilities and labour law. KN considered that targeting only a few workers was not satisfactory and has suggested that screening the video at the factory premises for all workers should help overcome this problem. Carrefour has committed itself with factory owners to gain acceptance of this project.

Impact and lessons learnt: Bangladesh is confronting several pressing issues such as crushing poverty, corruption, political instability, lack of enforcement of rights, etc. Widespread economic, legislative and political changes are needed, and international companies cannot change the whole country. However, international businesses can help to a certain degree to change the situation.

One of the major barriers to change within the workforce in Bangladesh is the disempowered, uneducated nature of workers. They are typically unaware of their own rights, and feel dependant on their employer. Consequently, they are less likely to ask for their basic rights, and even less likely to press for increased wages and benefits. Through worker empowerment and management education, workers are presented with the tools to make localized and often critical changes. By empowering these workers, and by teaching mid and upper level management how to treat workers in a fair, ethical way, the awareness and ability of the workers to assert themselves is maximized. Awareness raising and capacity-building of all relevant actors and stakeholders including workers is central to proper implementation of labour law.

Karmojibi Nari has now been successfully conducting trainings in Carrefour's suppliers for over a year. By contracting a local NGO to organize and administer the trainings, Carrefour is able to use local talents and resources. Moreover, as an independent and local organization, KN can make decisions reflecting the best interests of the workers in a way that could be more difficult for large multi-stakeholder institutions. KN is more qualified and better equipped to run the program than Carrefour employees or an international NGO would be.

The primary issues addressed by KN's training program are worker education and empowerment. Factory workers in developing and underdeveloped countries around the world are similarly unempowered. Consequently, an educational program such as the one administered by KN could be useful for workers in all sourcing regions.

However, implementing widespread training programs would be more challenging. Bangladesh is ideal for such trainings, as most factories are centralized around Dhaka, and are easily accessible. Accordingly, the trainings can be performed by one single NGO. In China or India where factories are highly geographically dispersed, instituting this type of training would require the coordination of many separate NGO's. This would create coordination difficulties and increase costs.

Promoting Best Practices among suppliers

Ultimately, Carrefour believes that sharing information through economic actors could help the implementation and the development of “Best Practices” among its suppliers. A “Best Practice” is any facility or amenity offered to workers which is not required by law. Suppliers must undertake these initiatives on a voluntary basis, and the results must ultimately be beneficial to the workers. Best Practices can come in the form of performance rewards, cash benefits, enhanced facilities (such as free transportation), or training programs. Although Best Practices ultimately benefit workers, suppliers can also benefit from them. By offering ‘Best Practices’, suppliers can decrease worker turnover, increase worker motivation and productivity and therefore quality, and enhance relationships with customers.

The trainings conducted by KN on behalf of Carrefour represent one of Carrefour’s first attempts at instituting “best practices” through its suppliers. The ultimate success of the KN training programs has paved the way for further initiatives along the same lines. Working with local NGO’s on region specific issues is ideal. However, Carrefour would also like to develop individual partnerships with its suppliers, where the two entities could work together to develop improved amenities and treatment for the workers.

Some Carrefour suppliers in Bangladesh already have useful ‘best practices.’ One of the best examples of this is factories offering free or subsidized meals to their workers. Because of the rising price of food and volatile interest rate, providing guaranteed meals to workers is one of the most important benefits a company could offer. Workers can be sure that regardless of market conditions; they will have a guaranteed hot meal. Another important best practice can be found in a Carrefour Bangladeshi Supplier which has instituted a profit sharing program for its workers. Each year, exactly 5% of annual profit is divided between all employees (each receives an identical amount regardless of position or salary). In 2007, workers received 2,500TK, and the previous year received 3,000TK (44 US\$). This way the goals of the workers and the company are aligned, creating a more cohesive and industrious working environment.

Another supplier also sets yearly targets. As long as these targets are met, each worker in the company will receive 1 additional month salary a year, the company has met its targets for 4 consecutive years, and workers were rewarded accordingly. Last year (2007), the company did not meet its target. However, the company still offered its workers a bonus of 50% annual salary on the basis that the target would be met the following year.

Financial best practices such as this one promote the productivity and motivation of workers, while decreasing worker turnover, and maximizing the overall quality of life for the workers.

It is necessary that all retailers consider the “Human” factor as a key factor in their supply chain. Legislation on human rights in developing and underdeveloped countries can be incomplete or unenforced, and consequently the rights of the workers are often not respected. Ultimately, retailers should be aware that they have a positive role to play towards workers in their supply chain. Clearly retailers sourcing from such regions should claim responsibility and enforce social equality for workers in their supply chains. Carrefour has been aware of these concerns for a long time and gives priority to assisting its suppliers in order to upgrade their standards and practices.