

Call for Accord on Fire and Building Safety extension

Protect the safety progress achieved in Bangladesh and ensure safe factories for workers in other garment exporting countries

The legally binding Accord on Fire and Building Safety in Bangladesh (“Bangladesh Accord”) between apparel brands and global trade unions expires on 31st May 2021. If the Accord agreement is not renewed, the safety of over two million workers in 1,600 garment factories currently covered by the Accord, will be left in the hands of a voluntary Corporate Social Responsibility (CSR) initiative. Voluntary initiatives have in the past been unable to prevent mass casualties, and it is therefore completely irresponsible to fall back on trusting a non-enforceable initiative to prevent a new Tazreen fire or Rana Plaza collapse.

The Bangladesh Accord must be renewed NOW and the new international binding agreement should contain the possibility to expand the Accord model to other countries where garment workers are facing unsafe working conditions, similar to those in the pre-Rana Plaza situation in Bangladesh.

This FAQ pack explains why there is an urgent need to renew and expand the Accord on Fire and Building Safety agreement, and provides you

with campaign information to persuade the brands headquartered in your country to sign on to a new Accord agreement.

FAQ:

- 1.** In short: what is the problem and what are we asking for?
- 2.** Why is the Accord model so successful and which of these elements will be at risk without a binding agreement?
- 3.** Why must brands sign a new international legally binding agreement on health and safety?
- 4.** What is the link between the Accord and the RMG Sustainability Council (RSC) and why is the RSC on its own not fit to replace the Accord?
- 5.** What is it the brands want and why is that not good enough?
- 6.** In short: What are the consequences of the Accord not continuing in Bangladesh?
- 7.** In short: What are the consequences of the Accord not being expanded to other countries?
- 8.** If a legally binding agreement with the option of expansion to other countries is signed, will other countries be covered immediately?
- 9.** What has the Accord achieved?

What is the Accord on Fire and Building Safety?

When in April 2013 the Rana Plaza building collapsed, killing at least 1,134 garment workers, this was the final incentive to start addressing the notoriously unsafe situation of many garment factories in Bangladesh.

Within a few weeks, the Bangladesh Accord on Fire and Building Safety was established and started inspecting factories and monitoring repairs and improvements.

It has been much more successful than earlier attempts to improve the safety of factories in Bangladesh because it has **equal representation of workers' representatives and apparel brands and it is legally binding for all brands that sign on.**

The initial five-year Accord signed in 2013 was renewed in 2018 for another three years.

1. In short: what is the problem and what are we asking for?

PROBLEM

The Bangladesh Accord agreement, signed by 200 apparel brands & retailers with UNI and IndustriALL global unions & their Bangladeshi affiliates expires on 31st May 2021.

The Accord is the only credible workplace safety initiative in the global garment industry, which since 2013 has demonstrably made >1,600 garment factories safer workplaces for two million workers in Bangladesh.

The safety progress achieved in Bangladesh in the past eight years is in jeopardy. Without an international binding agreement to safeguard the binding nature of the Accord, the working conditions in the RMG industry will revert to the pre-Rana Plaza situation.

At the same time, **unsafe working conditions continue to be the norm in other garment exporting countries.** For example, textile and garment factories in Pakistan remain just as unsafe as they were in 2012, when a fire at Ali Enterprises factory (Karachi) killed over 250 workers.

OUR ASK

Our campaign goal is that brands sign a new international legally binding agreement on

health and safety. This will i) ensure that the brands' commitments under the Accord on Fire and Building Safety in Bangladesh will continue to be enforceable by unions upon brands, and ii) will allow for new country addendums that will enable the Accord model to be expanded to other garment exporting countries, keeping workers across the garment industry safe.

LEGALLY-BINDING ELEMENT

The Accord's legally binding nature is key to its effectiveness.

The Accord model prescribes two levels of enforcement: 1) at the factory level, through an escalation process, where non-compliance of the supplier to remediate safety issues may lead to termination of business with all Accord company signatories; and 2) at the brand level, through a dispute resolution clause, allowing the union signatories to file arbitration charges against the signatory brands failing to implement their obligations under the Accord agreement.

The legally-binding nature of the Accord means that all Accord signatory companies are required to comply with the Accord's provisions, including requiring their suppliers to participate in the inspection and remediation programme and ensuring that remediation at their suppliers is financially feasible.

Despite the trade unions' efforts to speed up the discussions and ensure that the binding nature of the Accord does not abruptly end on 31st May 2021, none of the 200 Accord signatory companies¹ has yet publicly committed to signing a renewed Accord agreement.

2. Why is the Accord model so successful and which of these elements will be at risk without a binding agreement?

The Accord has been successful because its model comprises a unique combination of elements: its legally-binding nature, bi-partite governance, the brands' collective leverage, high levels of transparency and disclosure, brands' obligations to financially support the remediation, and an independent complaints mechanism.

ACCORD MODEL: KEY ASPECTS

- Legally-binding agreement between brands & trade unions
- Independent safety inspections & remediation programme
- Brand commitment to ensure safety remediation is completed & financially feasible
- Disclosure of inspection reports & corrective action plans

¹ <https://bangladeshaccord.org/signatories>

- Safety Committee and Safety Training Programme
- Safety and Health Complaints Mechanism
- Protection of right to refuse unsafe work
- Escalation of non-compliant factories; risk of business termination with all Accord brands
- Ongoing promotion of right to Freedom of Association to advance safety

INDEPENDENT CHIEF SAFETY INSPECTOR

The Accord agreement establishes the independent position of a Chief Safety Inspector (CSI), who leads the implementation of the inspections and remediation monitoring functions. The independence of the CSI position has been crucial for the success of the Accord program in Bangladesh; particularly because the CSI's decisions regarding the level of compliance with the required safety remediation may lead to termination of the supplier's business relations with all the Accord brands.

The Accord agreement prescribes that when covered factories fail to remediate the identified safety issues in due time, they are subject to a notice and warning procedure, which can lead to termination of business with all Accord brands, if non-compliance persists².

2 189 factories were made ineligible for business with Accord signatory brands for failure to implement the required safety measures - <https://bangladeshaccord.org/factories> ; filter for

POSITIVE INCENTIVE TO COMPLETE THE REMEDIATION

Under the Accord, signatory brands have an obligation to ensure that the remediation of the safety issues identified at their factories is made financially feasible. This is a groundbreaking aspect of the Accord model, as it contributes to achieving more sustainable sourcing practices, with the costs of maintaining a safe workplace being accounted for in the business relation between brands and factories.

SAFETY TRAINING & COMPLAINTS MECHANISM

Through the Accord agreement, signatories seek to empower workers and local trade unions by informing them about their rights to a safe and healthy workplace. The Accord prescribes a Safety Training program for workers and joint worker-management Safety Committees at covered factories; and provides workers and their trade unions with an independent OSH complaints mechanism, which allows them to raise workplace safety issues that the factory management are then required to remediate.

Furthermore, the Accord's OSH complaints mechanism, in contrast with many voluntary MSI's complaints mechanisms, is widely trusted by workers and has demonstrably prevented accidents and ensured the reinstatement of workers who were dismissed for raising the lack of safety in their workplace. In alignment with the UNGP criteria for remediation status:ineligible

non-judicial grievance mechanisms, the Accord signatories' complaints mechanism is independent, impartial, and the complaint resolutions are binding on both the covered factories and the Accord brands sourcing from them.

OVERARCHING ELEMENTS: EQUAL WORKERS-BRANDS REPRESENTATION & LEGALLY-BINDING NATURE

The Accord owes its success particularly to the fact that it has equal representation on its Steering Committee of workers' representatives and apparel brands and it is legally binding for all brands that sign on.

The legally-binding nature of the Accord means that all Accord signatory companies are required to comply with the Accord's provisions; and that the Accord labour signatories can start a procedure against non-compliant companies. If the brands' actions remain unsatisfactory, then the unions can initiate a process for binding arbitration.

In 2016, IndustriALL and UNI Global Unions brought arbitration cases against two Accord signatory companies for failure to ensure that remediation at their suppliers is financially feasible. These resulted in settlements of over US\$2 million paid towards safety remediation³.

³ One of the two settlements stipulated that the Accord

Without the legally binding element of the Accord, there will be no consequences for brand non-compliance. This is why voluntary initiatives have in the past been unable to prevent mass casualties, and it is therefore completely irresponsible to fall back on trusting a non-enforceable initiative to prevent a new Tazreen fire or Rana Plaza collapse.

The Accord is the only initiative in the global garment industry through which brands and worker representatives can work together at a large scale and on an equal footing to make tangible progress towards a safer industry.

3. Why must brands sign a new international legally binding agreement on health and safety?

BANGLADESH

Brands must sign a new Accord agreement to ensure that their suppliers in Bangladesh complete the safety

signatory company contribute \$2m to help complete the remediation at more than 150 factories; and contribute a further \$300,000 to IndustriALL and UNI Global Unions, to fund their joint supply chain worker support fund, an initiative that supports union-backed efforts to improve pay and conditions for workers in global supply chains. The amount agreed through the other settlement was kept confidential by the parties. See <http://www.industrialunion.org/bangladesh-accord-arbitration-cases-resulting-in-millions-of-dollars-in-settlements-officially>

remediation and that safety continues to be monitored and the workers in these factories continue being provided with an independent health and safety complaints mechanism, which protects them from retaliation by factory management.

The safety remediation at the factories covered by the Bangladesh Accord is not yet completed. More than 1,200 factories are yet to install a fire alarm system compliant to the international safety standards; over 900 factories do not yet have compliant safe egress measures; and over 300 factories are yet to complete the structural remediation. Workers at these factories remain exposed in case of fire or another workplace accident.

But even if all safety violations were remediated, a meaningful safety monitoring and remediation system would remain vital. Safety is a continuous process, and not only does continuous monitoring reveal new safety defects to remediate, also is it an important measure against the return of dangerous practices, such as storing finished product in the way of safe egress.

OTHER COUNTRIES IN THE BRANDS' GARMENT SUPPLY CHAIN

At the same time, the Accord model of independent inspections, collective brand leverage, public disclosure, accountability and bi-partite governance should be expanded to other garment exporting

countries.

The Accord Steering Committee expressed in January 2020, and reiterated in March 2020, its intention to negotiate a global Accord agreement with a vision to expand the Accord to other countries, in particular Pakistan⁴.

We have long advocated for an expansion of the Accord model to **Pakistan**⁵, where on 11th September 2012, a fire at Ali Enterprises factory (Karachi) killed over 250 workers. Almost nine years later, textile and garment factories in Pakistan remain just as unsafe as they were back then.

Furthermore, recent workplace tragedies in North Africa, including 28 workers killed by electrocution in an illegal garment factory in **Morocco** in February 2021⁶, 20 workers killed in a fire at a garment factory

⁴Accord Steering Committee Meeting Minutes, January 2020 <https://bangladesh.wpengine.com/wp-content/uploads/2020/02/20011213-SC-Minutes-Dhaka.pdf>, p. 3-5; Accord Steering Committee Meeting Minutes, March 2020 <https://bangladesh.wpengine.com/wp-content/uploads/2020/03/20030304-SC-Minutes-London.pdf>, p. 6-7; Accord 2019 Annual Report <https://bangladesh.wpengine.com/wp-content/uploads/2021/01/accord-2019-Annual-Report.pdf>, p.31

⁵<https://cleanclothes.org/file-repository/pakistan-safety-report.pdf/view>

⁶<https://cleanclothes.org/news/2021/factory-tragedy-shows-need-for-international-safety-agreement-and-improved-working-conditions-in-morocco>

in **Egypt** in March 2021⁷, and 8 people killed in a collapse later that month in the same country⁸ show the **urgent need** for brands to commit to a global legally binding safety agreement that will eventually allow for the use of this successful model to address workplace safety across all countries in their garment supply chain.

4. What is the link between the Accord and the RMG Sustainability Council (RSC) and why is the RSC on its own not fit to replace the Accord?

Soon after the Accord agreement entered into effect in 2013, the Accord established a Secretariat based in the Netherlands and an office in Bangladesh. This latter office employed over 200 staff and performed the on-the-ground functions prescribed by the Accord agreement, including factory inspections and monitoring the safety remediation, conducting safety training at the covered factories, and providing workers with an independent complaints mechanism through which they could raise safety and health issues at their factories.

A protracted court proceeding against the in-country office by a disgruntled factory owner, and used politically by the factory owners' association and the

⁷<https://www.dw.com/en/egypt-garment-factory-fire-kills-at-least-20/a-56840817?maca=en-Twitter-sharing>

⁸<https://cleanclothes.org/news/2021/second-cairo-factory-tragedy-shows-need-for-international-safety-agreement>

government, eventually led to the signing of a Memorandum of Understanding (MoU) in 2019 between the Accord Steering Committee and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

TRANSITION OF BANGLADESH-BASED ACCORD FUNCTIONS TO THE RSC

This MoU prescribed that all operations, staff, infrastructure, and functions of the Accord Office in Bangladesh would be transferred to a newly established organization – the RMG Sustainability Council (RSC) – on 1st June 2020. The RSC is jointly governed by brands, trade unions, and manufacturers.

The Accord brands' obligations with respect to inspections, remediation and workplace programmes at their supplier factories continued to be safeguarded in the international agreement running until 31st May 2021, but the practical implementation has since 1st June 2020 been covered through the RSC.

The RSC was established to take over the Accord operations on the ground, but it was never intended to replace the Accord model or to substitute for the signatories' obligations under the Accord.

An example substantiating this is that the RSC does not prescribe a brand requirement to ensure the remediation is financially feasible. This is an Accord obligation, the implementation of which is monitored

and supported by the Accord Secretariat.

CONCERNS ABOUT THE RSC MODEL & INDEPENDENCE

Unlike the Accord, in whose governance worker representatives have an equal role with that of industry, the RSC is governed by a board of directors that is made up predominantly of representatives of brands and factory owners, with representatives of unions making up only a third of its members.⁹

Moreover, reports by the Accord Secretariat, who continue to monitor, verify and report on the implementation of the Accord brands' obligations through the RSC, testify to attempts by the factory manufacturers association (BGMEA) to interfere in the operations of the RSC¹⁰.

It is crucial that the Accord framework is in place, to ensure that the RSC upholds the independence and transparency required for it to become a credible safety initiative, which is trusted by workers.

ACCORD FRAMEWORK CRUCIAL FOR RSC

⁹https://cleanclothes.org/file-repository/accord_witness_signatory_assessment.pdf/view

¹⁰As reported to the Accord Steering Committee and reflected in public minutes of the Steering Committee calls of January and March 2021.

<https://bangladesh.wpengine.com/wp-content/uploads/2021/04/210312-SC-Minutes-Conference-Call.pdf>;
<https://bangladesh.wpengine.com/wp-content/uploads/2021/02/210127-SC-Minutes-Conference-Call.pdf>

EFFECTIVENESS

The undue interference by BGMEA in the RSC operations can only be resisted if the brands and unions continue acting jointly - bounded by an Accord agreement - on the RSC Board. Otherwise, the safety progress achieved under the Accord since 2013 will soon be dissolved and workplace safety will revert to the level it was in the pre-Rana Plaza situation.

Without a legally-binding agreement that creates brand liability for the quality and independence of the work delivered by the RSC, the RSC is nothing more than a voluntary CSR initiative.

In the absence of a strong accountability mechanism linking the status of workplace safety in garment factories to the apparel brands that source from them, the RSC, like all voluntary CSR/Multi-Stakeholder Initiatives before it, will fail to achieve and maintain safe garment factories.

Moreover, without the Accord agreement and the Chief Safety Inspector (CSI) role it prescribes, there will be no monitoring mechanism for the quality and independence of the RSC's work. Currently, the Accord CSI is monitoring the inspections and remediation work conducted by the RSC. This is crucial, particularly as the RSC has been operating since its inception without a Chief Safety Officer; with this role being performed by the RSC Managing Director.

5. What is it some of the brands seem to want and why is that not good enough?

Some Accord company signatories have told CCC and our national members that with the Accord operations in-country having been transferred to the RSC, they no longer see the need to sign on to a new, global safety agreement with union representatives as the other party.

However, the RSC's governance structure where industry dominates labour, the concerns about the independence of the RSC, and the fact that past experience has shown that binding agreements are needed to create real change are clear indicators that the RSC is not able to uphold the safety standards without a legally-binding agreement to back it up.

NO ACCOUNTABILITY MECHANISM

The RSC has no accountability mechanism whereby workers' representatives can hold brands accountable for non-compliance, which means that without a legally-binding Accord agreement in place, unions are unable to hold the brands legally accountable for the safety commitment they have made. Brands have no incentive to require their suppliers to maintain safe workplaces or to ensure that the remediation is made financially feasible.

DENIAL OF WORKERS' RIGHTS TO A SAFE WORKPLACE

If brands walk away from the binding Accord model, it

means that the commitments they made in the past to achieve a safe and sustainable garment industry are hollow.

By refusing to sign on to a new international fire and building safety agreement, brands are denying workers in their supply chain the right to work in safe factories. Workers in Bangladesh will be affected, as well as workers in other garment producing countries, whose lives are everyday at risk working in factories without safe exits, functioning fire alarms or adequate fire separation.

LOSS OF KNOWLEDGE & INFRASTRUCTURE

If the Accord does not continue beyond 31st May 2021, the Netherlands-based Accord Secretariat will be dissolved and together with it, the knowledge this group of experts has acquired since 2013 will be lost. If brands do not use the opportunity that they have NOW to negotiate a global Accord agreement which expands the Accord model to other countries across their supply chain, it will be extremely difficult to establish such an impressive programme in the future.

The Accord Secretariat has all the knowledge and resources needed to expand the Accord to other countries; however, these will no longer be available to the brands if the Accord does not continue. Especially as brands are facing mandatory due diligence obligations to be imposed in a range of countries in the next few years, this knowledge will be indispensable to ensure their supply chains live up to

external demands.

6. In short, what are the consequences of the Accord not continuing in Bangladesh?

If the Accord is not renewed, the safety of over two million garment workers in 1,600 garment factories currently covered by the Accord, will be left in the hands of a voluntary Corporate Social Responsibility (CSR) initiative - the RSC.

Without a legally-binding Accord agreement that creates brand liability for the quality and independence of the work delivered by the RSC, this body, like so many other voluntary initiatives in the past, will be unable to protect workers against a new Tazreen fire or Rana Plaza collapse. This would mean that the working conditions in RMG factories will revert to the pre-Rana Plaza situation.

7. In short, what are the consequences of the Accord not being expanded to other countries?

The garment industry is notoriously unsafe, with the recent tragedies in Morocco and Egypt noted above as tragic examples. It is high time that brands take responsibility for the working conditions in their garment supply chains, which they have thrived on for

decades, making outrageous profits.

The negotiation of a renewed binding agreement to cover Bangladeshi suppliers is an opportunity for brands and unions to sign a global safety agreement. This global agreement will establish the framework for Accord expansion to other garment exporting countries.

The Accord programme has achieved substantially more than any voluntary brand initiative has in the past. The legally-binding element of the Accord ensures that all brands signing the Accord are required to comply with the Accord provisions; this means that brands can effectively use their collective leverage to advance workplace safety.

If the brands do not extend the Accord programme to other garment exporting countries in their supply chains, they are denying their workers the right to a safe workplace.

8. If a legally-binding agreement with the option of expansion to other countries is signed, will other countries be covered immediately?

Brands signing an international legally-binding agreement on fire and building safety commit to expanding the Accord model - based on the principles established by the Bangladesh Accord - to other

garment export countries in their supply chain.

The international agreement allows for the development and implementation of country-specific fire and building safety programs. These will be established through new country addendums, in addition to the Bangladesh addendum.

The Accord Steering Committee will decide the development of country-specific safety programmes, based on a formula to be agreed, that considers the number of signatories sourcing from a particular country who wish to start a new programme and/or the total volume of orders of all signatory companies sourcing from that country. Important incentives for such expansion will be labour and civil society initiatives in support for the programme, such as present in Pakistan.¹¹

Once a new country-specific programme is established, all Accord signatory brands sourcing from that country will be required to participate in the programme.

Unions will be able to enforce a brand's commitments under the international Accord on Fire and Building Safety, in relation to all the safety programmes established in the countries that signatory

¹¹ <https://cleanclothes.org/file-repository/pakistan-safety-report.pdf/view>

brand sources from.

9. What has the Accord achieved?

- 1,687 factories covered
- >38,000 initial and follow-up inspections for fire, electrical and structural safety
- Commitment by Accord brands and unions to integrate **boiler safety**¹² in the RSC's inspection and remediation programs
- **190** factories made ineligible for business with Accord signatory brands for failure to implement the required safety measures

REMEDIATION

<https://bangladeshaccord.org/updates/2021/04/07/safety-remediation-progress>

PROGRESS

- 93% initial remediation progress
- 359 factories completed the initial remediation
- >90% initial remediation at 1,260 factories (901 factories excl. those that completed the initial remediation)

¹² <https://bangladeshaccord.org/updates/2019/03/18/boiler-safety-pilot-program-results>;
<https://bangladeshaccord.org/updates/2020/01/15/joint-statement-accord-bgmea>

OUTSTANDING

- 1,243 factories yet to have their Fire Alarm and Detection System verified as installed to standard
- 1,055 factories yet to have their Fire Suppression System verified as fully functional and installed to standard
- 917 factories yet to have all safe egress measures implemented and verified to standard
- 375 factories yet to complete structural remediation based on an Engineering Assessment

SAFETY TRAINING

<https://bangladeshaccord.org/updates/2021/04/07/update-safety-training-program>

- **954** Safety Committees completed the safety training
- **380** Safety Committees at an earlier stage in the training program
- Safety Committee training **yet to commence** at **253** Accord- covered factories
- **2,538** All Employess Meetings
- **>1,8 million workers** informed about workplace

safety

Due to Covid-19, since March 2020:

AEMs suspended

Training sessions are being conducted remotely

OSH COMPLAINTS MECHANISM

<https://bangladeshaccord.org/updates/2021/04/07/update-safety-and-health-complaints>

Key features:

- Protection of right to refuse unsafe work
- Protection of right to participate in the work of the Safety Committee
- Protection against retaliation for reporting workplace safety / health related matters
- Factory announcements to inform all workers about the complaint and its resolution
- Uses collective leverage of the Accord brands
- Escalation of non-compliant factory; risk of

business termination with all Accord brands

Total OSH complaints (unique): 1,475

- Engineering (structural/fire/electrical safety): **180**
- Working environment related (incl. Covid-19 related, unsafe drinking water supply, excessive heat, workplace violence, forced overtime, denial of maternity pay/leave rights, sexual harassment): **1,283**
- Reprisal for having filed a complaint: **36**

The total number of unique OSH complaints is lower than the total number of complaints categorized by nature of the allegations, as some complaints include more than one allegation.

COVID-19 related complaints: **270**

All complaints related to the Covid-19 health crisis will be investigated. The outcome of the complaints will be published on the Accord's website.