

WSR Success Story: Accord on Fire and Building Safety in Bangladesh

On the morning of April 24, 2013, the 9-story Rana Plaza building in Bangladesh collapsed, killing 1,138 workers and injuring more than 2,000. It was the deadliest disaster in the history of the modern garment industry.

Before its collapse, the building had housed five garment factories, producing clothing for well-known Western brands, including Walmart, JCPenney, The Children's Place, Inditex (owner of Zara), Loblaw, Primark, and many others. Virtually all of these companies had developed "robust" standards for suppliers and purported to vigorously monitor these standards using teams of in-house staff and outside for-profit auditing firms to inspect their factories on a regular basis. Yet none of these massive corporations with millions of dollars at their disposal identified or took steps to correct the fundamental structural flaws that led to the collapse.

Though it dwarfed other disasters with its scale, Rana Plaza was neither the first nor the last deadly accident in the Bangladesh garment industry. Since 2005, more than 2,000 workers have been killed in factory fires and building collapses, a fact that brands sourcing from that county knew but refused to acknowledge. failing to inspect their supplier factories for critical safety features such as fire exits and proper electrical wiring.

In 2010, after a fire at the That's It Sportswear factory killed 29 workers who had sewn clothing for the Gap, Osh-Kosh, VF Corporation and PVH Corp. (owner of Calvin Klein and Tommy Hilfiger), a group of advocates, including the Worker Rights Consortium, Clean Clothes Campaign, and Industriall, came together to propose a program that would require brands to make a binding, enforceable commitment to identify and address safety violations at their Bangladesh suppliers. The first company to sign was PVH Corp., which agreed to do so under mounting public pressure after an ABC News story exposed how little the company knew about its own supply chain. The only other company to sign was Tchibo, a German retailer. Despite months of back and forth negotiations, the Gap ultimately refused to sign, citing an unwillingness to make such commitments binding.

It wasn't until the Rana Plaza collapse in 2013 that media and consumer pressure led additional companies to sign on to a modified version of the original agreement. A massive global campaign, focused first on H&M and then on several of its competitors, built on the public outrage consumers felt over the deaths, coupled with the reality that such a disaster might well have been prevented. The new agreement was called the Accord on Fire and Building Safety in Bangladesh ("the Accord").

In May 2013, the Accord launched with 43 corporate signatories from 13 different countries and 10 labor signatories, including 2 global union federations and 8 Bangladesh federations. It was an unprecedented agreement, in which companies committed to do the following:

- Require supplier factories to undergo independent inspections by qualified fire, building and electrical safety engineers, the results of which would be made publicly available. For many factories, this would be the first time that a qualified safety expert had ever set foot inside the building;

- Require suppliers to implement all necessary corrective actions to address the hazards identified by the inspectors, and do so by specific deadlines. Accord engineers would carry out regular follow-up inspections to ensure that repairs were done correctly and maintained over time;
- Provide financial support, in the form of increased prices, low-cost loans, or direct payments for renovations to allow factories to be able to afford to make the repairs necessary to operate safely;
- Maintain a consistent sourcing volume from suppliers for the duration of the 5-year agreement;
- Remove existing and future orders from suppliers that refused to address safety violations identified by Accord inspectors. Such economic consequences for non-compliance are critical to enforcement of the agreement at the factory level;
- Require suppliers to provide access for worker representatives to train workers about occupational safety and labor rights. The program also provides for an independent complaint mechanism through which workers can alert the Accord about potential safety violations without fear of reprisal; and
- Unlike existing multi-stakeholder initiatives and corporate social responsibility programs, the Accord is a legally binding and enforceable agreement, in which brands are obligated to implement their commitments under the program. The program is governed by a 7-member Steering Committee, made up of 3 brand representatives, 3 union representatives, and a neutral chairperson appointed by the International Labor Organization (ILO). Regular reports of the program's progress, as well as a list of covered factories and inspection report, are available on the Accord's website.

The Accord has had a tremendously positive impact on safety conditions in the Bangladesh garment industry. Since its inception in 2013, Accord inspectors have identified more than 122,000 safety violations at covered factories. As of the Accord's 4-year anniversary in May 2017, the overall rate of safety hazards identified in the original round of inspections that have been reported or verified as fixed had reached 77%. Sixty-five factories had fully remediated all violations and more than 400 factories had completed at least 90% of the required repairs and renovations. More than 300 joint labor-management Safety Committees have been created and trained to monitor safety conditions on an ongoing basis and the Accord's complaint mechanism has resolved more than 90 safety complaints from workers and their representatives.

In 2017, the agreement was renewed for an additional three years, with an option for further extension.

Much work remains to be done. Some brands have failed to provide the financial resources needed to carry out expensive repairs and hundreds of factories are months behind schedule in completing critical renovations. Nonetheless, the agreement has set an important precedent for the scale of improvement that can be accomplished under the WSR model and the power that workers can achieve to address abuses that may seem insurmountable.