

To: WRC Affiliate Colleges and Universities
From: Scott Nova and Laura Gutierrez
Re: Accord Update: Progress at Collegiate Factories and the Road Ahead
Date: July 2, 2018

Five years ago, the **Accord on Fire and Building Safety in Bangladesh** was signed, marking the start of an unprecedented transformation of the nation's garment industry. On June 1, a three-year extension of the agreement began.

With the Accord's initial term complete and the new term now commencing, I'd like to highlight the remarkable achievements that have been made for the safety of garment work, particularly as they relate to collegiate production, and offer information on the road ahead.

The Accord's Achievements

- As of this month, **85%** of the **86,000** high-risk fire, building, and structural safety hazards identified by the Accord have been eliminated. The renovations have been implemented across **1,620** factories, directly improving the safety of **more than 2.5 million** workers in Bangladesh. To broaden understanding of the work of the Accord, the WRC has created a video about the Accord's achievements, which can be found [here](#). The video provides background on the safety crisis in Bangladesh prior to the Accord's arrival and an overview of the Accord's ground-breaking safety program and its transformative impact. I also encourage you to visit the Accord's [website](#), where you can always find detailed, up-to-date information concerning the initiative's progress.

As our video underscores, the success of the Accord is due in large part to three key elements:

- **Binding nature.** In contrast to the voluntary, company-led safety programs that prevailed in Bangladesh for years prior to the Rana Plaza collapse, the commitments made by signatory brands under the Accord can actually be enforced by the worker representatives who are the counterparties to the agreement: the Accord legally binds companies to their commitments. The practical implications of this have already been proven. In two separate cases in the past year, worker representatives [reached successful settlements in arbitration cases](#) with major apparel brands, enforcing labor rights commitments under the Accord. Both arbitration settlements resulted in the brands agreeing to pay a substantial amount of money to help supplier factories complete safety renovations. For more information on these landmark cases, please click [here](#). Twenty years of voluntary CSR programs preceded the Accord – and none of them led to the creation of a single fire exit or produced a single improvement to the structural integrity of a factory building, even as workers died in one factory

disaster after another. The contrast between that dismal record of failure and the sweeping gains for worker safety under the Accord constitute powerful proof that the model of binding agreements is the best answer to the question of how to protect worker rights and safety in the global garment industry.

- **Genuine Worker Participation.** Under the Accord, workers and their representatives not only play a central role in the governance of the program, but also in its implementation, through access to factory inspections, formation of safety committees, and by making use of an anonymous, independent complaint mechanism. Under this mechanism, the Accord has investigated and resolved **183** worker complaints. The Accord's intervention in such complaints, for example, has resulted in the [immediate evacuation and temporary closure of factories](#) where workers identified critical structural failures in the factory building.
- **Certain and Severe Consequences for Factories that Refuse to Undergo Renovations and Operate Safely.** Another critical element of the Accord is its power to terminate factories that refuse to participate in any aspect of its program. For these cases, the Accord has a multi-stage escalation procedure in which the factories are given notice and warning that their eligibility to sell products to any of the Accord's signatory companies will be terminated if non-compliance persists. If the Accord's notice and warning process does not lead to sufficient progress, as judged by the Accord's independent inspectorate, the factory is terminated and all signatory brands must refrain from any further business with the factory. This escalation process has led to the termination of over 100 factories from the Accord program. The fact that these factories have lost the privilege to do business with Accord companies has been a powerful motivator for other factory owners and has helped ensure the broad progress the Accord has achieved.

It is important to note that these critical features were not created in a vacuum. University codes were the first agreements that bound leading apparel brands – as a matter of legal contract – to respect working rights in their supply chains. The precedent that universities set, and the lessons learned through the implementation of university labor codes, informed the work of the WRC and others in developing the Accord proposal. This is one important illustration of how university leadership on labor rights in global manufacturing continues to improve the lives of workers in new ways and beyond the university market.

Collegiate Suppliers in Bangladesh

The Accord has delivered sweeping improvements in the collegiate supply chain in Bangladesh:

- After the Accord was launched in 2013, many universities required licensees sourcing their collegiate goods from Bangladesh to sign the Accord. Due in part to this requirement, every one of the **16** collegiate apparel suppliers in Bangladesh is covered by the Accord.

- Since the Accord launched its inspection program, **1,510** individual safety hazards were identified at these collegiate factories.
- As of last month, **85%** of all safety renovations required by the Accord at these collegiate suppliers have been completed.
- These changes include, among others, the removal of locking mechanisms on emergency exits; the installation of fire doors to ensure properly functioning fire exit systems; the strengthening of faulty structural columns; and the introduction of safe, modern electrical wiring in place of the antiquated, haphazard, and grossly unsafe systems that prevailed before the Accord.
- While important work remains, we are enormously pleased to be able to say that the workers producing collegiate apparel in Bangladesh are vastly safer than they were five years ago.

For a breakdown of the progress rate at each of the collegiate suppliers, please click [here](#) for the slides on the Accord that we presented at the University Caucus last month.

Challenges and Next Steps

While there is much to celebrate, it is also important to recognize the challenging circumstances under which the Accord has, and continues, to operate. Many factories, including collegiate suppliers, still have at least some uncompleted safety upgrades. It is imperative that brand signatories, including licensees, renew the push to get all necessary safety work finished. Beyond this, there is the vital work of ongoing factory inspections to ensure that progress achieved is progress maintained – and that we do not return to the reckless practices of the past. That is why the Accord has been extended for an additional three years. To date, **182** apparel brands have signed the 2018 Accord. In addition to the continuation of its robust inspection program, the 2018 Accord also includes some modest but significant improvements to the protections of workers. The text of the new agreement can be found [here](#).

The government of Bangladesh, under pressure from factory owners hostile to genuine regulation, is resisting granting permission for the Accord to continue safety inspections long-term. The Accord's company, union, and NGO signatories are working with international diplomats to address the problem. The key point is this: the brands have enormous leverage in Bangladesh and as long as they want the program to continue, it will continue. We will keep you posted on developments.

As a result of the Accord's work, Bangladesh has gone from being the most dangerous place in the world to make university logo apparel to being among the safest. I am enormously proud of the work of the WRC in bringing the Accord to fruition – something that could not have been done without the support of our university affiliates and the continued engagement of student activists.