



WORKER RIGHTS CONSORTIUM

To: WRC Affiliate Universities and Colleges
From: Scott Nova
Date: September 23, 2013
Re: WRC Update: Bangladesh Worker Safety

I write to update you on efforts to protect the safety of apparel workers in Bangladesh, including those making university logo clothing. This update covers the following topics:

- 1) Current status of the Accord on Fire and Building Safety in Bangladesh (“the Accord”), the breakthrough global agreement between apparel brands and worker representatives that is designed to put an end to the horrific disasters that have been killing workers in Bangladesh by the hundreds
- 2) The WRC’s efforts to encourage university licensees sourcing from Bangladesh to become signatories to the Accord
- 3) The implications of the decision of Walmart and some other US brands and retailers to eschew the Accord and to instead announce a far weaker inspection scheme
- 4) Ongoing WRC work to assess compliance by collegiate factories in Bangladesh with standards governing workplace safety

Status of the Accord on Fire and Building Safety in Bangladesh

As you know, recent factory disasters in Bangladesh, the world’s second largest apparel producer, have taken the lives of vast numbers of workers: 1,132 died in the Rana Plaza building collapse in April and 112 in the Tazreen Fashions fire in November of 2012. Dozens more have died in the last three years in numerous smaller fires.

These disasters are a product of factory buildings constructed and maintained with near total disregard for safety codes, combined with other unsafe and reckless practices by factory managers. The Bangladesh government has failed to regulate the factories. And, despite repeated assurances from brands and retailers that their factory monitoring programs were protecting workers, these programs have proved grossly inadequate.

Indeed, the two biggest factors in the mass deaths of apparel workers – 1) absence of properly constructed fire exits and 2) flaws in building construction – have not even been part of the audit checklists that are used by industry monitors. For example, we estimate that more than 90% of apparel factories in Bangladesh lack proper fire exits, yet factory managers have credibly

5 Thomas Circle NW Fifth Floor Washington, DC 20005

(202) 387-4884 Fax: (202) 387-3292

wrc@workersrights.org www.workersrights.org

reported that this extremely hazardous form of non-compliance has never been raised in the audits brands and retailers have conducted in their factories over a period of years. Moreover, the audits have been carried out by auditing firm employees and brand personnel who do not have adequate training in fire and building safety to conduct competent assessments, a fact brands themselves have acknowledged.

The WRC, along with other labor rights organizations, has for years advocated for fundamental reforms of the industry approach to fire and building safety in Bangladesh. In 2010, after another gruesome fire took the lives of 29 workers, the WRC took the lead in developing a proposal for a binding fire and building safety agreement that would ensure competent safety inspections of all facilities, followed by building renovations and retrofitting to bring buildings up to code.

For two years, despite broad backing in the labor rights community, all brands and retailers resisted this proposal. However, in 2012, PVH Corp. – the owner of Tommy Hilfiger, Calvin Klein, and other major brands – agreed to sign, followed shortly thereafter by Tchibo, a major German retailer. Then, in the wake of the Tazreen and Rana Plaza catastrophes, and in the face of tremendous public concern about the humanitarian crisis of apparel workers in Bangladesh, a long list of major industry players agreed to join this pact. The agreement was revised modestly through negotiations with brands and retailers and was renamed the Accord on Fire and Building Safety in Bangladesh (referred to herein as “the Accord”).

The Accord has now been signed by 88 brands and retailers from 19 countries (see full list [here](#)). These include:

- H&M, the largest producer of apparel in Bangladesh
- Inditex, owner of Zara and other brands, now the world’s largest fashion retailer
- PVH Corp., owner of Tommy Hilfiger, Calvin Klein, Izod and Van Heusen, the world’s largest seller of dress shirts
- UNIQLO, a subsidiary of Fast Retailing, the largest apparel retailer in Asia
- Tesco, the second largest general retailer in the world (after Walmart)
- Carrefour, the third largest general retailer
- El Corte Ingles, the world’s largest department store chain
- Kmart Australia and Target Australia, the two largest fashion retailers in that country
- Puma
- Benetton
- Abercrombie & Fitch
- American Eagle Outfitters
- Esprit
- and numerous others

Based on factory data collected from brands and retailers to date, we estimate that the Accord covers more than 1,800 factories in Bangladesh – more than half of the estimated 3,500 export apparel factories currently in operation.

As we have reported to you, by signing the Accord, brands and retailers have agreed to:

- Require all of their supplier factories in Bangladesh to submit to rigorous fire and building safety inspections, led by qualified, independent safety experts
- Accept public disclosure of all inspection reports
- Require all suppliers to implement all repairs and renovations necessary to make their factories safe, as determined through the inspection process
- Ensure that factories have the financial capacity to complete the necessary repairs and renovations
- Require suppliers to allow worker representatives into their factories to educate workers about workplace safety and worker rights – and to respect the right of workers to refuse to enter, or remain in, an unsafe building
- Cease doing business with any supplier that fails to comply with the above

These commitments are binding and enforceable under the Accord.

Implementation of the Accord is proceeding. There is a steering committee, composed equally of brand and worker representatives, chaired by the ILO, and backed up by a range of working groups. Implementation planning was carried out in May and June, and yielded a plan to conduct initial inspections of all factories, and put in place urgent corrective action plans where needed, by April of 2014, as well as a protocol for swift action to temporarily close any factory where inspections indicate a serious risk of building collapse. The two top staff positions for the Accord – Chief Safety Inspector and Executive Director – are in the process of being filled. The WRC serves on the implementation planning team and on two key working groups.

The Accord, when implemented, will bring about a wholesale transformation of the apparel industry in Bangladesh, drastically reducing the hazards faced by workers.

You may find the following documents useful:

- [The Accord text](#)
- A [WRC Slide Presentation](#), which outlines the crisis in Bangladesh and explains why the Accord is essential to protecting worker safety (please note that this presentation contains some graphic images)
- [FAQ on the Accord](#), prepared by the Clean Clothes Campaign, one of the participating non-governmental organizations
- [The Accord Governance Regulations](#)
- July 2013 [Report of the Accord Implementation Team](#)
- This handy [flowchart](#), outlining the program (note that this is not an official Accord document)

University Licensees and the Accord

The WRC is writing to all university licensees sourcing from Bangladesh, urging them to sign the Accord. Please see our letter [here](#).

We have waited to do so until now in order to be able to provide greater clarity on the administrative costs and to ensure that it would be feasible for smaller licensees to participate. While the fee structure for signatory companies has not been finalized, it is now clear that the fee paid by smaller university licensees will be minimal, probably \$1,000. This will be finalized shortly and we will update licensees and universities accordingly.

Given the enormous risks to apparel workers in Bangladesh, we believe it is highly advisable for university licensees to become signatories to the Accord, as this is the best means available to protect the lives and safety of workers making university logo clothing – and to ensure that licensees, by failing to protect workers, do not implicate universities and colleges in future tragedies there. As we have previously reported, university logo clothing was produced at Tazreen Fashions by MJ Soffe in the year prior to the fire that killed 112 workers (according to Soffe, this production was supposed to be produced at another factory, owned by the same producer, but ended up at Tazreen). The risk of a fire or collapse at a factory currently producing collegiate goods is very real.

Given the long list of companies that have signed the Accord, including a majority of the biggest players in the global apparel industry, and many smaller companies as well, licensees should feel very secure that signing on is a safe and reasonable step for apparel companies to take.

We hope that WRC affiliate universities and colleges will encourage their licensees to sign the Accord. We will keep you posted on the responses we received from licensees.

A note: We understand that chapters of United Students Against Sweatshops on some campuses have written to administrators asking that their universities amend their codes of conduct to make it *mandatory* for licensees to sign the Accord. Please note that the WRC has not yet considered the question of whether it is advisable for universities to impose this as a *mandate* on licensees.

The Walmart-Gap Scheme

A number of major US retailers have been unwilling to sign the Accord and proposed instead an initiative of their own. They are led by Walmart and Gap. This is a dynamic we have seen before: public pressure on an issue persuades some corporations to make commitments to improve their human rights practices; other corporations, facing the same pressures, but not ready to make the same commitments, propose an “alternative” that asks much less of companies, but is presented to the public as the genuine article.

The scheme advanced by Walmart and its partners (which the companies involved call the “Alliance”), does not include the crucial commitments embodied in the Accord.

The Walmart-Gap scheme:

- Does not include a commitment to independent inspections. Instead, individual brands and retailers will continue to control the inspections of their factories. This is the model that has been in place in Bangladesh for many years. It does not work.
- Does not involve any shared governance. The program is controlled exclusively by the participating companies. The companies have appointed some non-company people to their Board, but these people serve at the pleasure of the companies and can be removed whenever the companies chose. This is a major step *backwards* from existing “multi-stakeholder” bodies (e.g., FLA, ETI, etc.), which include some Board members selected independently of the participating companies.
- Does not include any protection for the right of workers to refuse to work in unsafe buildings – a right that is crucial to protecting worker safety in Bangladesh. At Rana Plaza, workers did not want to enter the building on the morning of the collapse, because an emergency inspection the previous day had deemed it unsafe, but were pressured to do so by managers who threatened to dock their pay. At Tazreen Fashions, when the fire alarm sounded, workers were told by managers to stay at their machines until it was determined if the alarm was false.
- Does not include any commitment by the participating companies to help factories pay for necessary repairs and renovations. A few of the participating companies have promised to make loans available, but this is voluntary under the Walmart-Gap scheme. There is no guarantee these loans will ever materialize and, in any case, many of the companies are not offering them.
- Has no meaningful mechanisms for enforcing the few commitments the companies are making.

You will likely hear some companies defending the Walmart-Gap scheme, insisting that it is a strong program and that is a lot like the Accord. I wish this were true, but the deep flaws outlined above make this scheme a wholly inadequate response to the humanitarian crisis in Bangladesh, something that has been recognized by worker representatives in Bangladesh and labor rights organizations globally. The ILO, which chairs the Steering Committee of the Accord, was asked to play a similar role in the Walmart-Gap scheme and declined to do so. What concerns us most, of course, is that Walmart, Gap and the other participating companies, by refusing to sign the Accord, have left a substantial number of factories, and their workers, without the vital protection the Accord provides.

Despite the deep flaws of the program, the pressure on brands and retailers generated by public disgust over Rana Plaza *may* be enough to convince companies participating in the Walmart-Gap scheme to actually make improvements at some of their Bangladesh factories. However, if they do so, any such actions will be voluntary – not because the “Alliance” program requires them.

Thus, in contrast to the Accord, where the companies' commitments are strong and binding, we have no way of knowing whether the companies in the Walmart-Gap scheme will follow through on their promises. The track record is not encouraging: both Walmart and Gap have claimed for years that they were taking all necessary steps to protect workers' safety in Bangladesh, yet workers have died by the dozens in unsafe factories producing Gap and Walmart clothing.

After all that has happened, we believe workers in Bangladesh have the right to know that the brands and retailers whose clothes they sew *have made a genuine, binding commitment to protect their safety.*

Fortunately, far more companies have chosen to sign the Accord, which has 88 brand and retailer signatories from 19 countries and covers 1,800-plus factories. The Walmart-Gap scheme includes 20 companies, from 2 countries, and covers perhaps 400 to 500 factories. Along with many other organizations, we continue to encourage companies to sign the Accord, even if they have already chosen to join the Walmart-Gap scheme.

WRC Assessment Work

In addition to our efforts on implementation of the Accord, the WRC is carrying out a series of safety inspections at factories in Bangladesh producing university logo goods.

During the week of September 2, we conducted inspections, focused specifically on fire safety, at three factories, producing for a number of different licensees. Analysis of the evidence gathered in these inspections is nearing completion and we will report to you on our findings shortly.