

# Executive Summary of the Accord on Fire and Building Safety in Bangladesh

## Framework

- Agreement between international federations of trade unions (IndustriALL and UNI Global Union), Bangladesh unions, and international brands and retailers (Companies). International NGOs, including Clean Clothes Campaign, Worker’s Rights Consortium (WRC) have signed as witnesses.
- Company signatories commit to ensure the implementation of a programme for reasonable health and safety measures to ensure a safe and sustainable Bangladeshi Ready Made Garment industry for a period of five years.
- Programme builds on the Tripartite ‘National Action Plan on Fire Safety’ (NAP).
- Strong role for the International Labour Organization (ILO) who act as independent chair to enhance implementation of both (NAP and Accord programme).

## Agreements on the Structure of the Program:

### **Scope:**

- Signatory company designates all factories producing ready-made garments for them in Bangladesh in one of three Tiers and require the factories to accept inspections and implement remediation measures according to their Tier:

Factory Group	Significance to Company	Engagement Level
Tier 1, or Primary Suppliers	At least 30% of company’s production	<ul style="list-style-type: none"><li>• Safety Inspections</li><li>• Remediation</li><li>• Safety training at facility</li></ul>
Tier 2, major or long-term suppliers	Tier 1 & 2 add up to at least 65% of company’s production	<ul style="list-style-type: none"><li>• Safety Inspections</li><li>• Remediation</li></ul>
Tier 3, minor suppliers	Occasional factories; company orders < 10% of its production; At least 35% of company’s production	<ul style="list-style-type: none"><li>• Limited inspections</li><li>• If high risk, move to Tier 2</li></ul>

- Given commercial viability and significant factory efforts to meet company’s term and Accord’s requirements, the signatory company maintains order volumes with Tier 1 and 2 factories for at least first two years of this program

### **Governance:**

- Appointment of a Steering Committee (SC) with equal representation.
- Appointment of an Advisory Board.
- Administration and Management of the programme will be developed by the SC in consultation with the relevant Bangladeshi authorities and ILO.
- Implementation of dispute resolution process aiming to resolve by the decision of the Steering Committee which will be made within 21 days of the petition arbitration process. Arbitration to be enforceable in a court of law of the domicile of the signatory company against whom enforcement is sought and subject to The Convention on the Recognition and Enforcement of Foreign Arbitral Awards (The New York Convention), where applicable

with the selection of the Arbitrator governed by the UNCITRAL Model Law on International Commercial Arbitration 1985 (with amendments as adopted in 2006).

### **Financial Support:**

- Signatories to fund the activities of the Steering Committee, Safety Inspector and Training Coordinator, with each company contributing its equitable share of the funding up to a max contribution per company per year being \$500,000 for the 5 years

### **Inspections and Remediation:**

#### **Credible Inspections:**

- Inspections done by skilled personnel selected by and acting under the direction of an highly qualified safety inspector
- Public reporting of inspection findings and remediation plan;

#### **Remediation:**

- Signatory companies require factories to implement corrective actions according to schedule and negotiate commercial terms for financial feasibility
- Signatory companies require factories to maintain workers' employment relationship and regular income for up to 6 months in case the factory has to close for renovations; failure to do so may result in termination of contracts.
- Signatories companies make reasonable effort to ensure workers who lose employment due to loss of orders are offered employment at a safe factory.
- Signatory companies require factories to ensure workers can refuse work if he or she has reasonable justification to believe it is unsafe without suffering discrimination or loss of pay.

### **Worker Involvement and Transparency:**

#### **Training**

- A Training Coordinator appointed by the Steering Committee establishes an extensive fire and building safety training program.  
Signatory companies require suppliers to establish functioning health and safety committees according to law and made up of 50% workers chosen by factory union or democratic election

#### **Complaints**

- Safety Inspector establishes worker complaint process, connected to NAP hotline.

#### **Transparency and Reporting**

- Public Reports:
  - a single aggregated list of all factories in Bangladesh under the Accord
  - written inspection reports and if applicable remediation plans
  - quarterly aggregated reports summarizing industry compliance and review of findings.
  - protocol to be decided with the local authorities to ensure participating factories are not penalized as a result of the transparency