

ACCORD STATEMENT

10 May 2018

The Steering Committee of the Accord on Fire and Building Safety in Bangladesh issued the following statement:

Five years ago on 15 May 2013, a group of global brands and retailers and 2 global unions and their national trade union affiliates signed an unprecedented agreement to make garment factories in Bangladesh safe. Since then, the Accord was signed by 220 brands, retailers, importers and agents from all over the world including Europe, North America, Australia and Asia. These 220 brands and retailers, by signing the Accord, demonstrated their commitment to continue sourcing from Bangladesh and contributing to a safe and sustainable Ready-Made Garment (RMG) industry in Bangladesh.

The Accord recognizes the extraordinary progress that has been made over the last five years to improve fire and building safety in the Bangladeshi RMG industry. **The overall progress rate of remediation at the 1620 Accord-covered factories is 85%.** The Accord has engaged with 2.4 million worker participants to share vital safety information in more than 1,000 factories. As a result of these efforts, millions of workers now work in safer factories. Bangladesh's garment factories also benefit materially, because buyers recognize that a factory that has completed its safety work presents far fewer risks for them.

Credit for these efforts is shared and includes the many factory owners who have cooperated with the Accord to undertake the necessary safety renovations. Crucial to the success of the Accord has been its unique features: the labor-corporate partnership that is at the heart of the agreement, the Accord's recognition of the need to ensure that factory owners are able to afford the cost of safety improvements, and the binding nature of the agreement. The Accord continues to be a unique opportunity for factory management, workers and their trade unions, global brands and global unions to combine their forces and thus remedy the systemic problem of building and fire safety deficits that has plagued the Bangladeshi garment industry.

At the same time, we recognise that the remediation work has not been completed. Important steps still need to be taken to achieve full remediation and acceptable workplace safety. Life-threatening safety hazards such as inadequate fire exits, fire alarms and fire protection systems are still present in hundreds of factories, and the remediation rate remains at 85%.

Fire and building safety involves not just the renovations to make factories safe, but also ongoing vigilance to keep them safe. Rigorous and ongoing factory inspections are essential to maintaining that vigilance. As of today, there is not yet a fully resourced national regulatory body in place to take over this work. Therefore, the Accord signatories took the decision to sign the 2018 Transition Accord to ensure this vital safety work continues.

This week, the Government of Bangladesh confirmed it will extend the permission of the Accord to work beyond May 2018. A joint "Transition Monitoring Committee" (TMC) has been established by the Government for the purpose of determining when the agreed conditions for a handover of the Accord work to a fully-functional and competent national regulatory body have been met.

The TMC, which is comprised of Accord brands, global trade unions, BGMEA, ILO and the Bangladesh government, met on May 6, 2018 and determined that the criteria agreed by the Accord and the BGMEA and recognized by the Government of Bangladesh have not yet been met.

These criteria include: demonstrated proficiency in inspection capacity, remediation of hazards, enforcement of the law against non-compliant factories, full transparency of governance and remediation progress, and investigation and fair resolution of workers' safety complaints.

The Accord is pleased that the BGMEA supports the start of the 2018 Transition Accord on the 1st of June and to continue until these criteria are met.

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