

# Bangladesh Accord

GUIDE FOR POTENTIAL SIGNATORIES | JANUARY 2015



**ACCORD**  
on Fire and Building Safety in Bangladesh

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# 1. Why the Accord was created

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**Rana Plaza factory collapsed on 24 April 2013, killing 1,133 people who were working there and critically injured thousands more.**

This disaster got the world's attention, but it was sadly not the first large-scale industrial accident in Bangladesh. Fires & building collapses have claimed 1000s of lives since the industry began there in 1976.

The horror of Rana Plaza did however bring the clothing industry together with worker organisations to make a plan to inspect and improve factory safety to prevent such a tragedy happening again.



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## 2. What is the Accord?

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**A legally binding agreement between global brands/retailers and international trade unions. The agreement includes key activities:**

- Transparent disclosure of ready-made garment factories & inspection reports
- Independent inspections by specialist engineers
- A commitment to ensure sufficient funds are available for remediation and to maintain sourcing relationships
- Worker participation in Occupational Health & Safety Committees and training
- Provision of worker complaints mechanisms & Right to refuse unsafe work



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# Key Facts

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**Established May 2013**

**Majority of global clothing industry are Signatories:**

- International unions **IndustriALL Global Union** and **UNI Global Union**
- Bangladesh trade unions
- **> 200** brands and retailers from 20 countries
- Witness signatories – Workers Rights Consortium, International Labor Rights Forum, Clean Clothes Campaign, Maquila Solidarity Network
- Over **1600 factories** covered
- Annual budget approx. **\$10 million**
- Cost per factory approx. **\$12.000** for fire, electrical & structural inspections



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# 3. Who is it relevant for?

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**The Accord's scope is: the Ready-Made Garment industry in Bangladesh**

**The Accord is relevant for the following companies to sign up to:**

- Retailers, brands and suppliers of clothing sourced from Bangladesh

**The Accord is NOT relevant for the following companies:**

- Retailers, brands and suppliers who do not source clothing from Bangladesh



# 4. Key commitments of signatories

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## Company signatories commit to the following:

- Disclose your factory list to the Accord & keep this up-to-date.
- Ensure your factories participate in the Accord inspections, remediation and worker training activities.
- Negotiate commercial terms with suppliers which ensure it is financially feasible for the factories to maintain safe workplaces and comply with upgrade and remediation requirements.
- Maintain volumes with Tier 1 and 2\* factories for the first 2 years, unless not commercially viable.
- Continue sourcing from Bangladesh throughout the term of the Accord (2013-2018).
- Annual contribution to the Bangladesh Accord Foundation to cover inspection and monitoring.

**\* Tier 1 and 2 factories = those covering at least 65% of your volume from Bangladesh**





# 5. Role of Bangladesh Accord Foundation

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## The Accord Foundation is responsible for:

- Establishing a building standard for structural, fire and electrical safety in garment factories.
- Conducting structural, fire and electrical inspections of all factories covered by the Accord.
- Advising and monitoring signatories and factories on remediation plans and progress.
- Conducting follow up inspections and verifying remediation.
- Conducting worker training and establishing health and safety committees.
- Establishing a worker complaints mechanism and handling safety complaints.



# 6. Annual fees

BAND	ANNUAL FOB US \$ VALUE AT COST PRICE EX BANGLADESH		Contribution Year 1 (2013/14)	Contribution Year 2 (2014/15)	Existing members Contribution Per Annum YEARS 3 TO 5 (2015/18)	New Members Contribution Per Annum YEARS 3 TO 5 (2015/18)
	>	<				
7	>	500,000,000	500,000	850,000	383,000	500,000
6	250,000,000	500,000,000	375,000	637,500	287,500	375,000
5	100,000,000	250,000,000	175,000	297,500	135,000	175,000
4	50,000,000	100,000,000	75,000	127,500	57,500	75,000
3	25,000,000	50,000,000	37,500	63,750	28,750	37,500
2	10,000,000	25,000,000	17,500	29,750	13,550	17,500
1	1,000,000	10,000,000	10,000	17,000	7,750	10,000
0	<	1,000,000	1,000	1,700	775	1000

It is a flat fee regardless of when signatories join during the year, starting from 1<sup>st</sup> June.

\*Please note that Years 3, 4 and 5 may be subject to inflationary review.



# 7. Joining Process

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1. [Read the Accord](#)
2. Raise any questions with [signatories@bangladeshaccord.org](mailto:signatories@bangladeshaccord.org) and a team member will contact you within 3 days
3. Sign the Accord, scan and return to your Accord contact
4. Disclose your yearly volume from Bangladesh
5. Receive invoice for relevant fee
6. Pay invoice and have company listed as signatory on Accord website
7. Disclose your factory list to the Accord
8. Induction on Accord inspection programme policies and procedures



# ACCORD



**For a safe Ready-Made Garment Industry  
in Bangladesh**

[www.bangladeshaccord.org](http://www.bangladeshaccord.org)

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