



Supply Chain Session on World Forum for Responsible Economy

Presented By  
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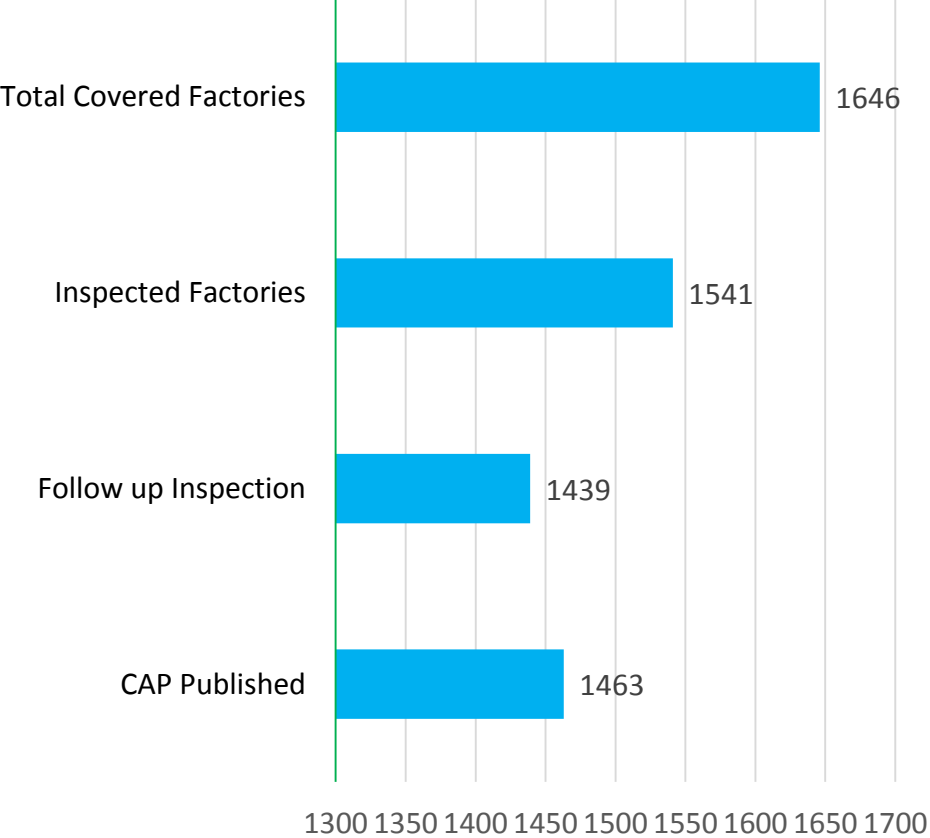
# Outline of Bangladesh Accord Cont'd.....

- The Accord on Fire and Building Safety Bangladesh (“Accord”) is a legally binding agreement between international trade unions, Industrial and UNI Global, Bangladeshi trade unions, and over 100 global brands and retailers (Companies). International NGOs, Workers’ Rights Consortium, International Labor Rights Forum and Maquila Solidarity Network are witnesses to the agreement. The International Labor Organization (ILO) acts as the independent chair. The Accord is an independent agreement signed on May 15<sup>th</sup> 2013 designed to make all garment factories in Bangladesh safe workplaces.
- The purpose of Accord is to enable a working environment in which no worker needs to fear fires, building collapses, or other accidents that could be prevented with reasonable health and safety measures.
- The signatories to this Agreement agree to establish a fire and building safety program in Bangladesh for a period of five years based on National Action Plan on Fire Safety (NAP).

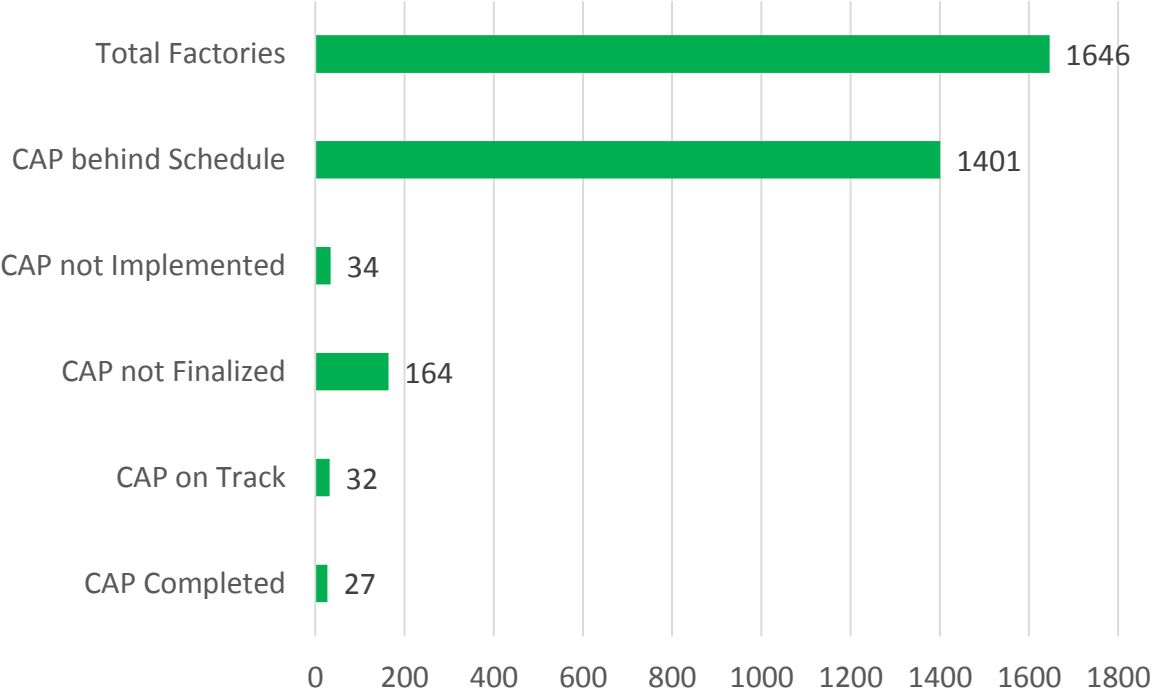
# Outline of Bangladesh Accord

- The agreement consists of six key components:
  - A. A five-year legally binding agreement between brands and trade unions to ensure a safe working environment in the Bangladeshi RMG industry.
  - B. An independent inspection program supported by brands in which workers and trade unions are involved.
  - C. Public disclosure of all factories, inspection reports and corrective action plans (CAP)
  - D. A commitment by signatory brands to ensure sufficient funds are available for remediation and to maintain sourcing relationships.
  - E. Democratically elected health and safety committees in all factories to identify and act on health and safety risks.
  - F. Worker empowerment through an extensive training program, complaints mechanism and right to refuse unsafe work.

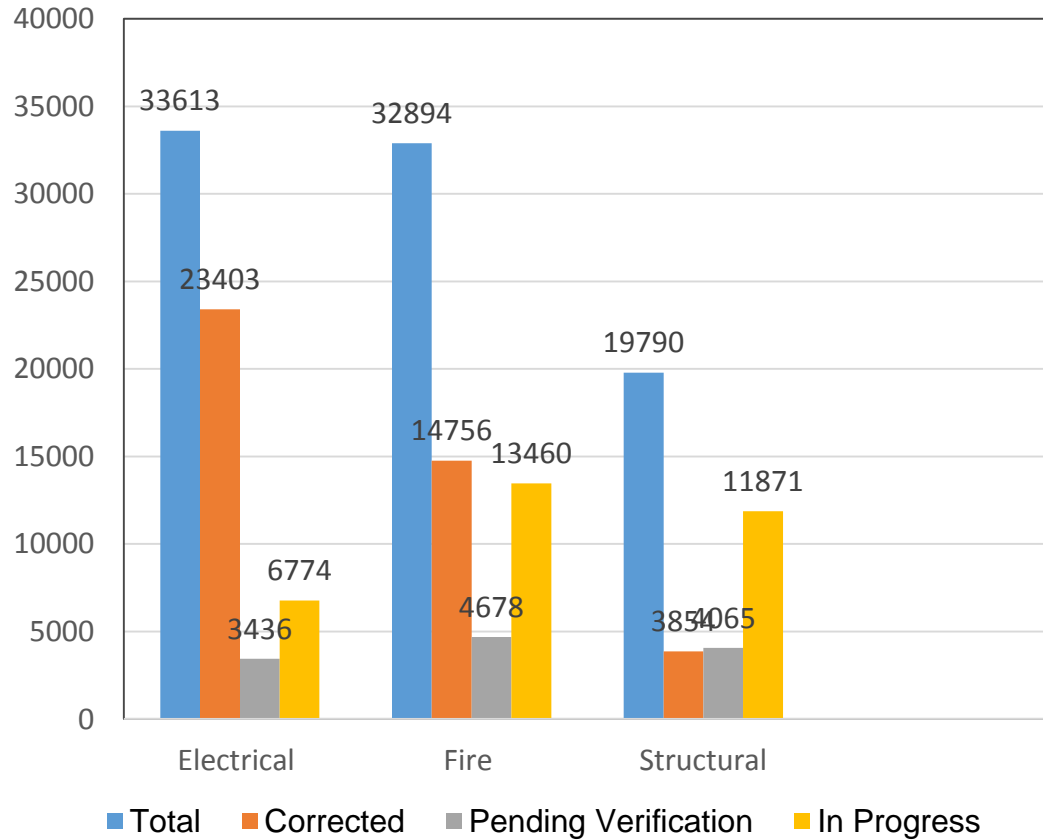
# Status Of Factory Inspection



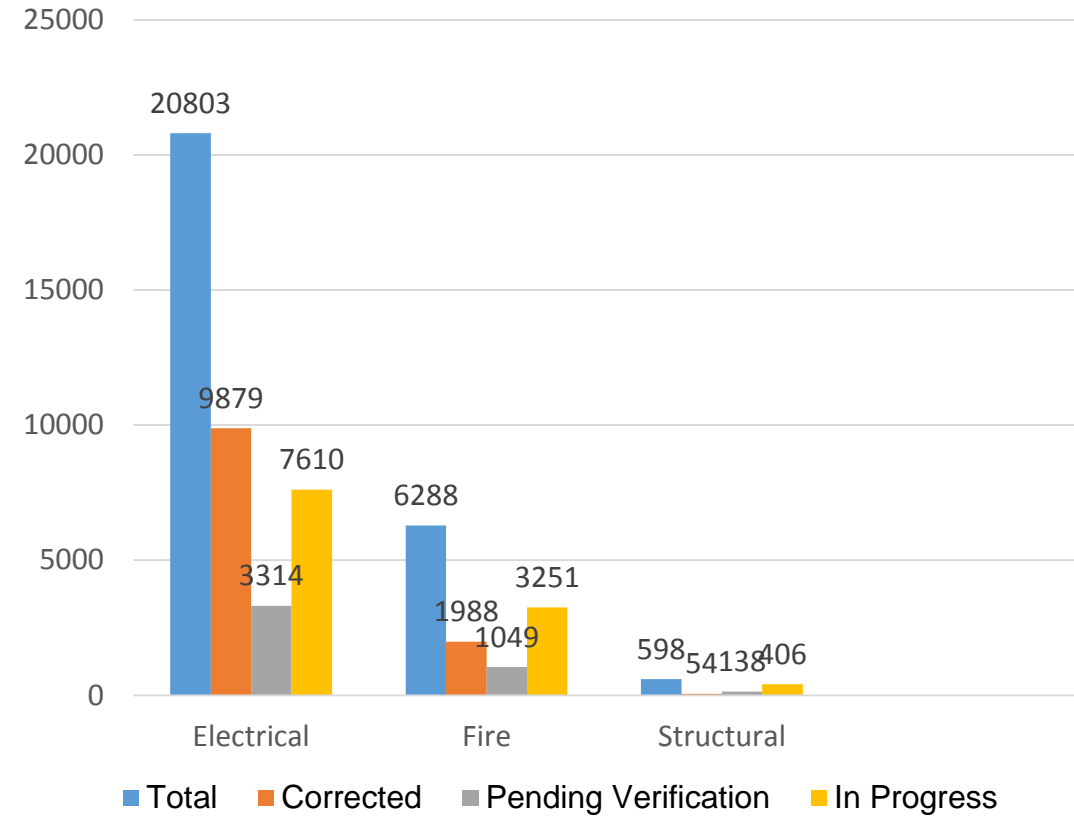
# Status of CAP Implementation



### Progress Status of findings from Initial Inspections



### Progress Status of New finding from Follow up Inspections



- No. of Remediated supplier – 27
- No. of terminated supplier – 23

# Challenges for Accord CAP Implementation Cont'd.....

- Challenges

- I. **Mindset**

- a)Creating self awareness among entrepreneurs & workers that workplace safety is not just for the buyers but for our own sake.

- b) Putting efforts to reinforce the capacity of workers, supervisors and managers in the sector to improve the safety of their workplaces

- c)Conduct training, education and the social awareness campaigns, through which workers and employers will benefit from improved safety practices

# Challenges for Accord CAP Implementation

## **II. Financial Constraint**

- a) Self financing by factories for remedies is difficult for the entrepreneurs
- b) Arranging loan from the signatory companies
- c) Arranging loan from 3<sup>rd</sup> party provider
- d) Pre payment of order

# Benefit from ACCORD

- I. One of the Accord's biggest accomplishment is the scale by which factories have been inspected and audited for electrical, fire and structural safety by professionals who are qualified industrial engineers. Before the Accord, factory safety inspections were mostly conducted by generalists with a background in social audits.
- II. Accord has covered approximately 45 percent of the factories in Bangladesh that export garments overseas; that is quite an impressive feat. And by most measures, the Accord has made a huge difference in securing the improved safety of garment workers.
- III. Workers awareness also increased by a significant margin. They have basic knowledge of firefighting equipment, lifesaving equipment, evacuation procedures and emergency preparedness plan
- IV. Transparency drives participation. Accord inspected factories do not have a choice but to comply with Accord.



# Improvement in factories as a result of the Accord

- Massive improvements in safety factors in a short span of time
- No major incident also occurred after the formation of accord.
- workers in Bangladesh's garment industry can feel more secure and looked out for

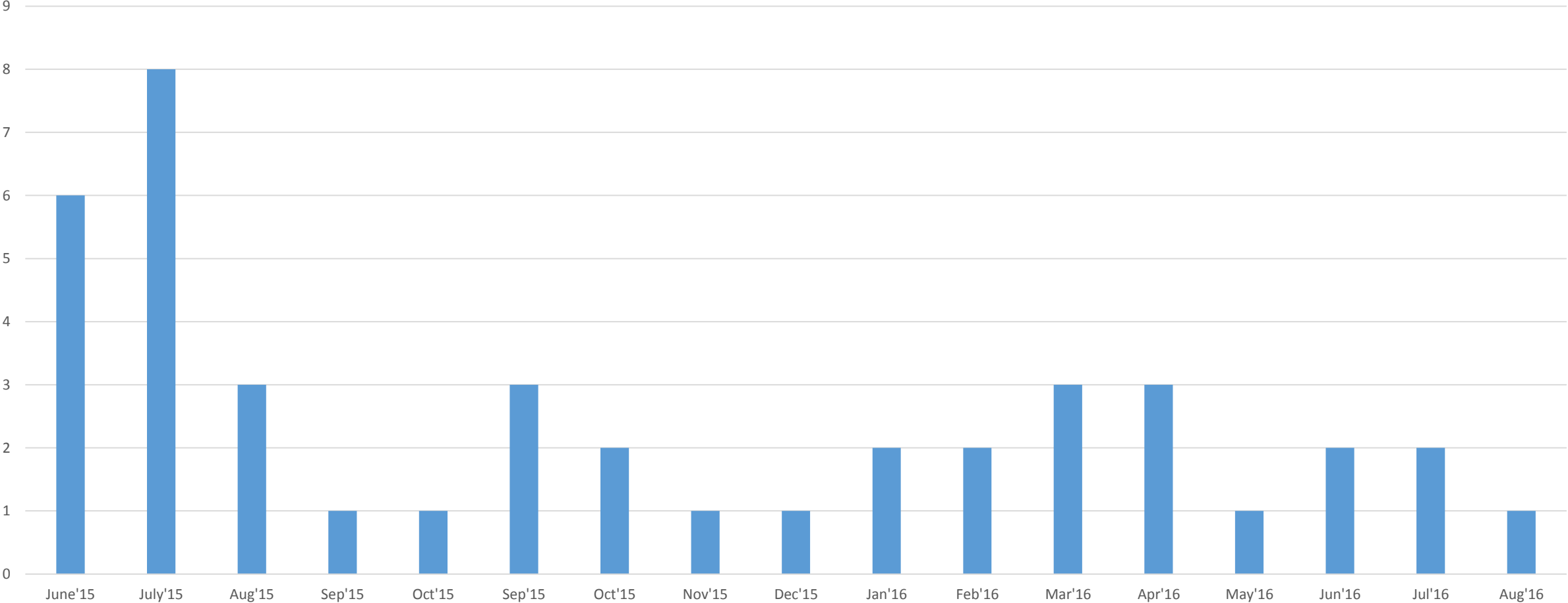
In the end, many have scored something even more important than wages — their dignity and respect for their human rights

# Experience with Accord

- The inspectors are quite professional & carried out their inspection thoroughly
- Most of the problems they identified are quite logical & we are trying to solve those issues at our earliest.
- Accord should initiate un announced inspection in the factories
- Should put more emphasize on emergency evacuation plan
- Check the physical condition of Life saving & Fire fighting appliances.
- Continue periodical checking of remediated factories.

# Injury Trend Analysis 2015-2016

## Injury Trend Analysis of Picard Bangladesh Limited after Accord Inspection



## **Recommendations for how responsibility for Tier 1 to 4 suppliers can be shared**

- Initiate inspection, remediation & fire safety training on all tier factories for occupational health & safety without any discrimination on the % of product they supply.
- Payment terms can be improved to minimize cost of fund.
- Terminate orders who are unwilling to follow recommendations.

Thanking you.

Md. Saiful Islam