

The Bangladesh Safety Accord – Update 15.06.2014

Key progress

- 175 international companies signed the Accord, covering more than 1700 factories, employing approximately 2 million workers in Bangladesh.
- Factory inspections are based in International building safety standard to identify fire, electrical, and building safety hazards.
- 600 Accord brands producing factories inspected by the Accord by May 2014.
- 10 factory inspection reports for Fire, Electrical and Structural safety with Corrective Action Plans were published.

Review panel

- Review Panel established to determine the building evacuation or suspension of operations in dangerous factories. The Review Panel consist of 4 team of engineers (1 Accord engineer, 1 Alliance engineer, 2 Government of Bangladesh/BUET engineers).
- After the inspection reports are reviewed by the Review Panel and the decision to suspend operation
 and evacuate workers from unsafe factories are taken, the Bangladesh authorities issue the order to
 suspend the operations.
- In order to overturn the initial production suspension / evacuation recommendation of the inspection, a unanimous decision of the Review Panel should be reached.

Remediation closure of factories and challenges

- During inspection safety conditions in some of the factories were found dangerous and the Review Panel ordered to suspend production and evacuate the workers for remediation.
- Some of the closed factories maintains regular payments and employment relationship with the
 workers during the period of temporary closure as per the Accord requirement, while others refused
 to do so. The signatory brands have not acted responsibly to ensure the payment of workers wages
 by the refusing factory owners. Accord is blamed in public media by the BGMEA and factory
 owners for the temporary closure and non payment of wages to workers.
- Sofex, one of the companies evacuated temporarily for remediation, had issued legal notice against the Accord and Bangladesh government.
- Recently the BUET engineers disputed the safety measurement of building concrete with lower standard. The Accord is trying to solve this dispute without compromising safety. CCC is monitoring the situation.
- The Accord and BGMEA had a meeting last week to discuss and solve some of the issues including the payment of workers during the suspension or closure of factories, required concrete strength, funds required for the remediation and its time frame, and factory inspection report sharing. They haven't reached conclusion on these issues.

We will closely monitor the situation and keep posting regular information about the Accord implementation.