

THE BANGLADESH ACCORD



THE BANGLADESH ACCORD

UNPRECEDENTED COMMITMENTS

- Independent inspections by professional safety engineers
- Full public reporting
- Brands/retailers must require factories to undergo all necessary renovations and must help pay for them
- Brands/retailers must leave any factory that refuses to become safe
- Central role for workers and unions: union access, OHS committees, right to refuse dangerous work
- All commitments binding and enforceable

THE BANGLADESH ACCORD

SIGNATORIES AND SCOPE

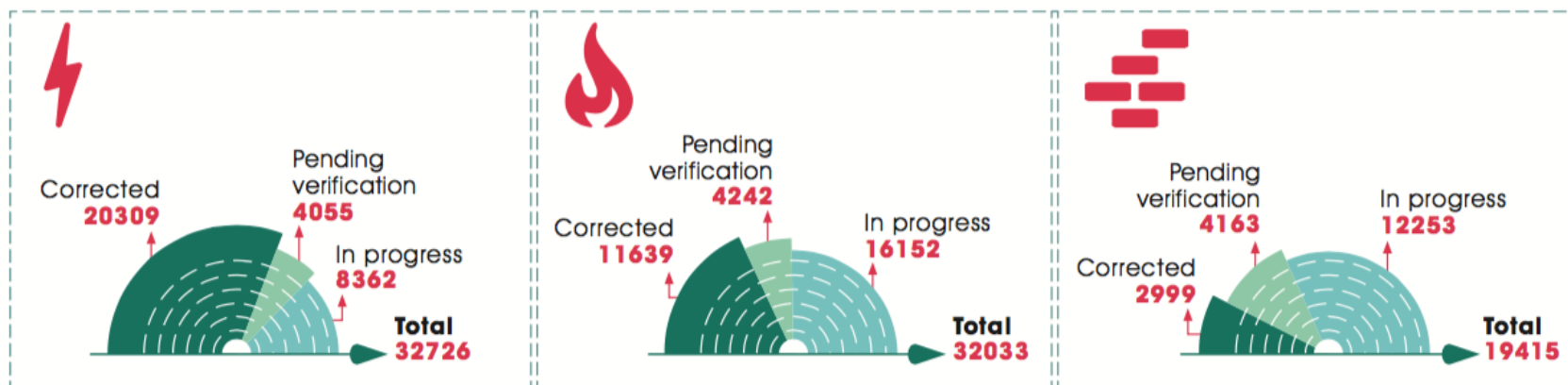


WORKER RIGHTS
CONSORTIUM

- 217 companies: H&M, Inditex (Zara), PVH, adidas, Abercrombie, Benetton, Tesco, Marks & Spencer, El Corte Ingles, Esprit, UNIQLO, American Eagle, Carrefour
- 22 university licensees
- International unions (UNI and Industrial), Bangladeshi garment unions, and labor rights NGOs as witnesses
- More than 1,600 factories and 2.5 million workers – more than half of all production in Bangladesh
- 200 staff in Dhaka, including 100 safety engineers, plus case handlers, worker outreach staff, trainers

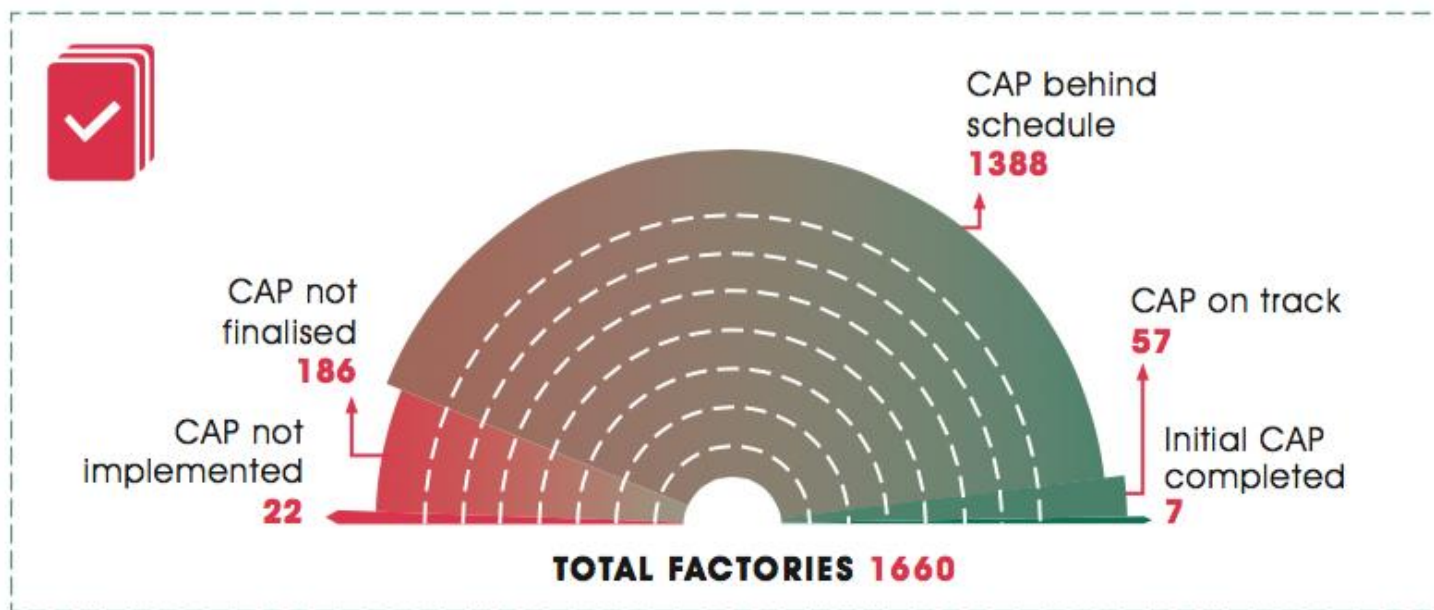
PROGRESS

- 56% of all identified safety issues reported or verified as corrected



PROGRESS – CONT.

- 1,388 factories behind schedule
- 57 factories on track
- 7 factories completed all remediation from initial inspections



CONSEQUENCES FOR REFUSAL TO RENOVATE

- **19 factories** whose business with Accord signatory companies has been terminated for failure to implement mandatory safety improvements



Review of Safety Remediation at Collegiate Factories in Bangladesh



LICENSEES THAT HAVE SIGNED THE ACCORD

- Russell
- Knights Apparel
- New Agenda
- Ahead LCC
- Outerstuff
- Ahead
- Antigua Group
- Bruzer Sportsgear
- adidas
- Top of the World
- Knights Apparel
- New Wave/Cutter
- Accolade Group
- Glitter Gear
- W Republic
- E5
- Lakeshirts
- Top Line

COLLEGIATE PRODUCTION IN BANGLADESH

- 19 licensees report sourcing university goods from Bangladesh
- 27 disclosed factories
- Average rate of progress at:
 - All Accord factories = 58%
 - Collegiate factories = 65%
- 18 licensees have signed Accord
- 1,288 hazards identified at collegiate factories
- 800 hazards remediated



FIRE SAFETY INSPECTIONS AT COLLEGIATE FACTORIES: EXAMPLE OF FINDINGS

- Lack of proper fire doors
- Open stairwells, which will act as chimneys in a fire, funneling smoke to higher floors and blocking workers' escape
- Exit stairs that lead to interior ground floor, not outside
- Boiler rooms with unprotected openings
- Lack of adequate emergency lighting

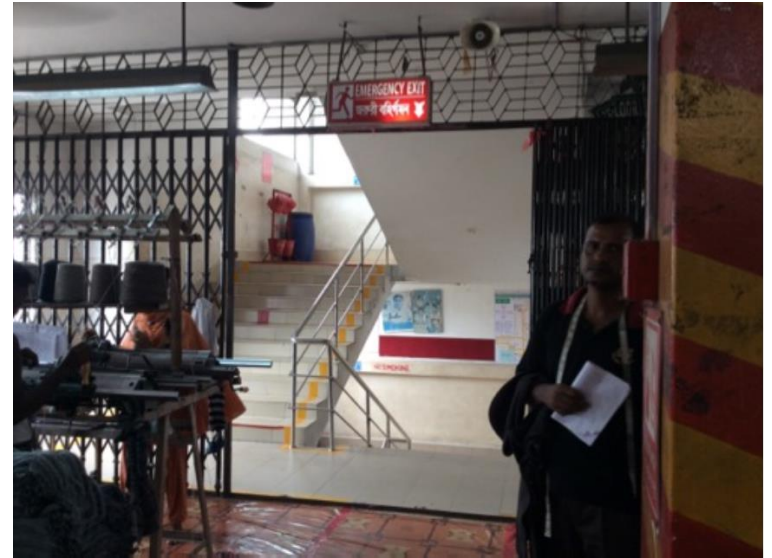


Photo: Advance Sweater Ltd.

STRUCTURAL SAFETY INSPECTIONS AT COLLEGIATE FACTORIES: EXAMPLES OF FINDINGS

- Visible cracks in building columns, walls and floor slabs
- Excessive loads beyond the structure's capacity
- Addition of new structures without proper design or impact study
- Water damage in building roof and walls
- Failure to develop load management plan
- No certificate of occupancy



Photo: Han Apparels Ltd.

ELECTRICAL SAFETY INSPECTIONS AT COLLEGIATE FACTORIES: EXAMPLES OF FINDINGS

- Unprotected electrical cables
- Storage of flammable material in electrical room and near electrical panel
- Electrical circuits lack circuit breaker
- Lighting in storage areas not properly covered/protected



Photo: Keya Knit Composite Ltd.

FACTORIES COVERED BY ACCORD



WORKER RIGHTS
CONSORTIUM

Factory	Licensee	Progress Rate	Finance Plan	Licensee Response
Actor Sporting Ltd.	CC Creations*/ Ahead	52%	Pending	Not an Accord signatory
Advance Sweater Ind. Ltd.	Bruzer Sportsgear	68%	Yes	Awaiting additional information; possible lack of finances
BP Wears	Russell Brands	52%	N/A	Waiting on DEA approval, removal of collapsible doors complete, electrical remediation done by June
Dada Dhaka	Adidas, Ahead LLC, Captivating Headgear/Top of the World	85%	Yes	Additional electrical hazards have been corrected
Dekko Apparels	Ash City Worldwide*	63%	Yes	Not an Accord signatory

*Not an Accord signatory

FACTORIES COVERED BY ACCORD - CONT.

Factory	Licensee	Progress Rate	Finance Plan	Licensee Response
Dhakarea	Mitchell & Ness Nostalgia Co.	63%	Yes	
GH Haewae	Ash City Worldwide*	60%	Yes	Not an Accord signatory
Han A Hats & Caps	Accolade Group, Top Promotions*	N/A	N/A	Factory is in escalation due to owner refusing to implement changes
Han Apparel	Zephyr Graf-X	75%	Yes	Accord has granted time extension for some outstanding issues
House of Caps & Clothing Ltd.	W Republic	89%	N/A	
Keya Knit Composite	Top Promotions*	68%	Yes	Not an Accord signatory

*Not an Accord signatory

FACTORIES COVERED BY ACCORD - CONT.



WORKER RIGHTS
CONSORTIUM

Factory	Licensee	Progress Rate	Finance Plan	Licensee Response
Magpie Composite Textile Ltd.	Ahead, LLC	58%	Yes	
Newage Apparels Ltd.	Ash City Worldwide*	78%	Yes	Not an Accord signatory
Nurani Dyeing & Sweater Ltd.	Bruzer Sportsgear	48%	N/A	Expect additional progress by July
One Composite Mills	Knights Apparel	81%	Yes	Issues with fire pump installation causing delays
Panorama Apparels Ltd.	Antigua Group	57%	Yes	Antigua denies responsibility for implementing remediation
Reedesha Knitex Ltd.	New Agenda, College Laundry*	58%	Yes	New Agenda reports they have pulled production

*Not an Accord signatory

FACTORIES COVERED BY ACCORD - CONT.

Factory	Licensee	Progress Rate	Finance Plan	Licensee Response
Ripon Knitwear	New Agenda	30%	Yes	Half of required fire doors have been installed; delays in structural remediation due to DEA non-completion
S.S. Sweater Ltd.	Accolade Group	N/A	N/A	
Shahriyar Fabric	New Agenda	81%	Yes	
SNV Stitches	Russell Brands	74%	Pending	Waiting on DEA approval, collapsible doors removed, alarm and emergency power testing in progress

FACTORIES COVERED BY ACCORD - CONT.

Factory	Licensee	Progress Rate	Finance Plan	Licensee Response
Supreme Stitch	Knights Apparel	85%	Yes	
Total Fashions Ltd.	Knights Apparel	91%	Yes	Issues with fire pump installation causing delays
Uni Gears	Outerstuff, Genuine Stuff	71%	Yes	Stairwells now have fire doors, all lockable exits removed
Unimas Sportswear	Top Promotions*	N/A	N/A	Not an Accord signatory

*Not an Accord signatory

COVERAGE

- Seven licensees sourcing from Bangladesh have not signed

Accord:

- Ash City Worldwide
- CC Creations
- College Laundry
- VF
- Milestone Clothing Resources
- Top Promotions
- Southern Tide

- Three collegiate factories are not covered by the Accord:

- Coreattire Fashion (Licensee: Milestone Clothing Resources)
- Cute Dress Industry (Licensee: Glitter Gear, who reports no longer being a licensee)
- Paxko Ltd. (Licensee: Southern Tide)

COLLEGIATE SUPPLIERS: CONCLUSIONS

- Significant progress has been made, but serious hazards still exist at collegiate factories
- Progress is slower than it should be
- Some licensees sourcing collegiate product from Bangladesh still have not signed Accord
- 6 collegiate suppliers covered by Accord despite licensee failing to sign
- While most factories have finance plans, it is unclear how much financial support licensees are providing