Retailers and unions extend legally-binding worker safety accord in Bangladesh - sources

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Major global retailers agreed to extend for a further two years a legal agreement with garment workers and factory owners in Bangladesh that subjects retailers to legal actions if their factories fail to meet labour safety standards, according to a copy of the agreement seen by Reuters on Wednesday.

A representative for the agreement, originally signed in 2013 and known as the Bangladesh Accord, said an official statement would be issued shortly and declined to comment further.

The agreement was due to expire on Aug. 31. The new agreement comes into force on Sept. 1.

A list of which of the 200 retailers who signed up to the Accord in 2013 - including retail giants like H&M, Inditex, Fast Retailing's Uniqlo, Hugo Boss, and adidas - have also signed up to the extension will be made available on Sept. 1, sources said.

The five-year accord, struck in the aftermath of the Rana Plaza collapse in 2013 which killed more than 1,100 garment workers, instituted an independent body which held thousands of inspections and banned unsafe factories from supplying its signatory buyers. That helped make some 1,600 factories safer for 2 million workers, according to labour activists.

Under a transition deal agreed in 2018 after the original Accord expired, a newly formed body, the Ready-Made Garments Sustainability Council (RSC) including unions, brands, and factory owners, took over the accord's work running factory inspections.

However, the RSC did not take over one unique portion of the accord: the ability for retailers to be tried in court in the country in which they are domiciled if they fail to meet their obligations, including cutting ties with factories which do not meet the accord's standards.
This has now been extended until the end of October 2023, according to the document.