

The Business of Fashion

# BoF



## Case Study

# How to Avoid Another Rana Plaza

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In the wake of 2013's deadly factory collapse in Dhaka, more than 200 brands signed the Bangladesh Accord, a legally binding safety pact. As the agreement expands internationally, BoF unpacks why it's widely viewed as fashion's most effective safety campaign, how it can help brands address new sustainability regulation and what limitations remain.

# Executive Summary

A decade ago, the fashion industry was rocked by one of the worst industrial disasters on record, when Rana Plaza, a factory complex in an industrial suburb of Dhaka, Bangladesh, collapsed.

The eight-storey building held five garment manufacturers, later linked by labour groups to brands including Walmart, Zara-owner Inditex and Mango. (Inditex said it had stopped sourcing from the building in 2011 after issues identified by its audit programme were not addressed.)

More than 1,000 people lost their lives in the disaster and thousands more were injured, drawing global attention to critical safety failings in major brands' supply chains.

It changed the industry.

In the aftermath of the disaster, more than 200 brands signed onto a legally binding agreement with trade unions to investigate and address dangerous factory conditions in Bangladesh.

The Accord on Fire and Building Safety in Bangladesh, or the Bangladesh Accord, stood out in a number of ways:

- It established accountability in an industry that to this day remains largely self regulated.
- It required independent inspections, instead of brand- or factory-backed monitoring programmes.
- It was transparent, publishing inspection results and progress on a quarterly basis.
- It ensured collective action, pooling brands' buying power and giving labour advocates a seat at the table in driving change.
- It required brands to make financial commitments to support improvements.

To be sure, the Accord had critics. For some brands, the binding agreement created too much legal risk and required ceding too much control over their supply chains. Its remit was limited and progress was slower than many labour advocates would have liked. Manufacturers said

brands' promises of financial support ultimately didn't amount to much, and the internationally driven initiative took on an awkward semi-regulatory role.

Nonetheless, a decade on, the Accord is widely viewed as the most effective safety campaign in the history of the modern garment industry.

"It absolutely reset the table completely for safety and health in Bangladesh," said Michael Bride, senior vice president for corporate responsibility and global affairs at Tommy Hilfiger-owner PVH.

## Singular Progress

But while the Bangladesh Accord transformed safety levels in the factories it covered, labour standards across the industry have otherwise lagged.

More than 60 people died and nearly 600 were injured working in apparel and textile factories around the world in 2022, according to an [incident tracker](#) compiled

by labour advocacy group Clean Clothes Campaign. Meanwhile, the pandemic has ushered in a new era of worsening risk for other forms of labour abuses, including modern slavery and wage theft.

Against this backdrop, brands are under growing pressure from regulators, consumers and investors to safeguard workers' rights in their supply chains. The challenges are complex, often systemic, and since most brands outsource their manufacturing, typically outside their direct control. The Accord's supporters say it offers an effective framework to help monitor and improve conditions.

In 2021, brands and unions reached a deal to extend the reach and remit of the Accord, after handing over its operations in Bangladesh to a separate organisation. Nearly 200 companies have signed the International Accord for Health and Safety in the Textile and Garment Industry, or International Accord, which aims to transplant the model proven in Bangladesh to other countries and issues. In December 2022, it launched into Pakistan, marking its first push into another country.

This case study draws on extensive interviews and recent on-the-ground reporting in Bangladesh to unpack the elements that made the agreement successful and the challenges it continues to confront. Ultimately, the accountability, transparency and collaborative nature of the Accord are what set it apart from the status quo.

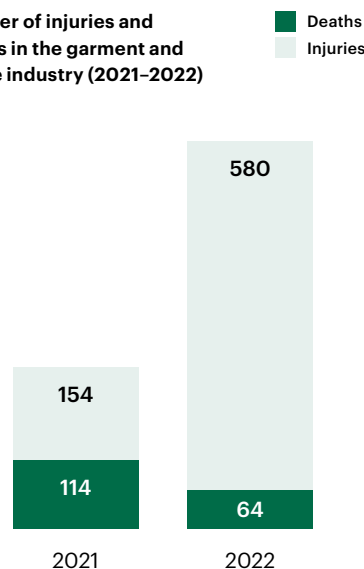
It offers important lessons for an industry at a crossroad.

"There are younger folks coming up, who we want to sell our products to, who are much more in tune with social justice," said PVH's Bride, who also serves on the International Accord's steering committee. "That's going to factor into purchasing decisions — maybe not today or tomorrow, but it will. And for those brands that don't factor it in, it will be a death knell."

## Exhibit 1: Dangerous Fashion

Fatalities and injuries remain commonplace in the global apparel sector.

Number of injuries and deaths in the garment and textile industry (2021–2022)



Source: Analysis of media reports by Clean Clothes Campaign

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## History and Context

# The Making of the Bangladesh Accord



The Rana Plaza factory collapse in 2013 was one of the worst industrial disasters on record, killing more than 1,000 and injuring thousands more. Munir Uz Zaman via Getty Images.

Rana Plaza was an accident waiting to happen.

The eight-storey building in an industrial suburb of Dhaka was constructed with substandard materials and without regard for building codes, according to a government report published in the aftermath of its collapse. The upper floors, which housed garment factories, were constructed illegally and were reliant on large power generators that shook the building with vibrations when fired up, the report said.

The day before the building collapsed on April 24, 2013, large cracks appeared in the structure. An engineer called in to inspect the situation warned it was unsafe, but factory workers were pushed by their employers to carry on working.

On the morning of the disaster, power went out at Rana Plaza — a common occurrence for Dhaka's manufacturers. Diesel generators on the building's upper floors kicked in, allowing the sewing machines to keep whirring. Then the building collapsed.

More than 1,000 people died and nearly 3,000 more were injured, making the incident one of the worst industrial disasters on record.

### Systemic Safety Issues

For those following the industry, the disaster was horrifying, but hardly shocking. It was the latest — and worst — in a string of deadly incidents that had made safety an increasingly urgent priority for labour advocates and a growing reputational issue for brands.

Less than six months before the collapse, a fire at the Tazreen Fashions factory in a different Dhaka suburb killed over 100 people. More than 250 people died in a blaze at the Ali Enterprises factory in Karachi, Pakistan, shortly before that — still the worst fire in the history of the garment industry. Hundreds more were killed in smaller incidents that gained less international media coverage in the years before the Rana Plaza disaster, according to labour rights groups.

Despite evidence that many brands' own monitoring programmes routinely

failed to identify critical safety risks, most companies resisted calls for more stringent oversight. Labour campaigns for binding safety commitments backed by comprehensive and independent inspections gained little traction.

But Rana Plaza changed that. Rescue workers were pulling bodies from the rubble of the collapsed building for weeks. Labour groups dubbed it an “industrial homicide.” Companies including Zara-owner Inditex, Walmart and Mango [were linked](#) to factories in the building by labour advocacy groups. (Inditex said it had stopped sourcing from the building in 2011 after issues identified by its audit programme were not addressed.) The scale and horror of the disaster drew global attention to fashion's poor safety record and safety and basic workers' rights.

“Rana Plaza was a wake-up call,” said Babul Akhter, president of the Bangladesh Garment and Industrial Workers Federation, during an interview at his office in Dhaka.

### A ‘Radical’ Agreement

Three weeks after the building collapsed, a group of the world's largest retailers led by H&M Group and Inditex signed the Accord on Fire and Building Safety in Bangladesh, or the Bangladesh Accord, agreeing to legally binding supply-chain safety commitments for the first time.

The agreement with local and international labour groups built on a pre-existing framework that had struggled to get buy-in from major brands just months earlier. It required independent factory inspections, public reporting, and financial support for on-site repairs and renovations.

“It was a radical departure from everything that had been done before,” said Scott Nova, executive director of independent labour rights monitoring organisation the Worker Rights Consortium and a member of the International Accord's steering committee. “The Accord brought about safety inspections by competent engineers. That had never happened before.”

Not everyone was on board. The deal required companies to agree to

**Exhibit 2: The Accord at a Glance**

The Bangladesh Accord was a landmark safety agreement between brands and trade unions. As it evolves into an international initiative, these are the elements that set its framework apart.



Legally Binding



Collective Action



Transparent



Financial Support



Independent

unprecedented levels of transparency about their supply chains and the risks embedded within them. It empowered labour groups to push for safety improvements that could prove costly and conflict with business needs.

Big American brands in particular objected to the level of accountability embedded in the agreement. The Accord “would subject us to potentially unlimited legal liability and litigation,” Jay Jorgensen, Walmart’s chief compliance officer at the time, told the *Financial Times*.

Walmart, Gap Inc., VF Corp. and 20 other North American retailers formed a separate safety initiative, known as the Alliance for Bangladesh Worker Safety, or the Alliance. It had a similar remit, but didn’t include union participation or the same level of binding commitment. The difference in approach largely persists to this day. VF declined to comment. Gap and Walmart did not respond to requests for comment.

**Significant Safety Improvements**

More than 200 international brands have signed on to the Accord. The landmark agreement is widely viewed as the most effective safety campaign in the history of the modern garment industry.

Brands that signed on had to open supplier factories to independent inspections, allow the results to be reported publicly and commit to not doing business with factories that failed to make necessary safety repairs. They were also required to ensure their commercial terms were sufficient to enable factories to make the requisite upgrades and that livelihoods were protected throughout. Membership fees were set on a sliding scale, initially capped at \$500,000 a year based on a brand’s number of factories and volume of production in Bangladesh.

During its first decade, the Accord and its successor in Bangladesh have overseen some 56,000 inspections in more than 2,000 factories. It’s identified more than 170,000 fire, electrical and structural safety issues and helped address more than 140,000 of them. In addition, the organisation has reached more than two million workers through training by establishing factory safety committees and resolved nearly 1,000 concerns raised through its complaints mechanism.

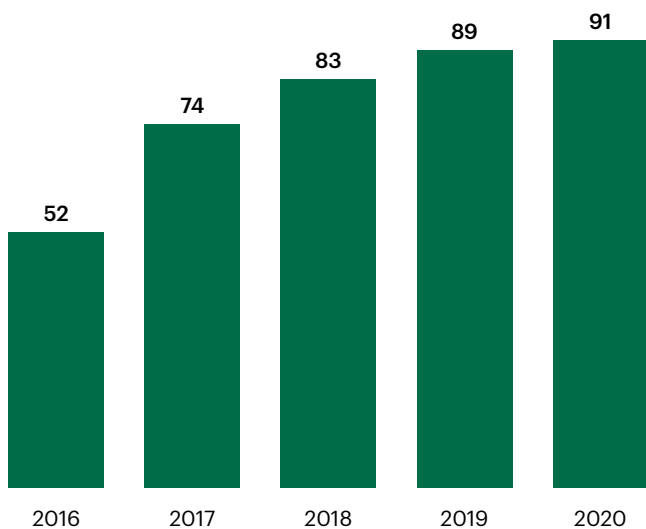
Together with the Alliance it set a precedent for Western brands to take greater responsibility for their supply chains and helped substantially improve standards in the facilities covered.

“Factories are now significantly safer than when we started,” said Joris Oldenziel, executive director of the International Accord.

**Exhibit 3: Safety Progress**

More than 90 percent of the safety issues identified by the Accord have been addressed.

**Remediation progress on safety issues identified during initial inspections**  
Percent



Source: Bangladesh Accord on Fire and Building Safety

## Challenge

# A Broken System



As fashion has become cheaper and faster, labour rights in garment factories have worsened. Sk Hasan Ali via Shutterstock.

### Exhibit 4: A Risky Business

The risk of human rights abuses like child labour, discrimination and excessive overtime are getting worse in key fashion-producing countries.

#### Average change in risk index scores

10 = lowest risk, 0 = highest risk

● Q1 2023  
● Q1 2018



Note: Data includes 11 key sourcing countries: Bangladesh, Cambodia, China, India, Indonesia, Malaysia, Mexico, Pakistan, Philippines, Sri Lanka and Vietnam.

Source: Verisk Maplecroft

While the Accord helped shift the paradigm, it hasn't changed the model.

Over the last 30 years, fashion has become faster and cheaper, fuelled by the loosening of trade barriers and a digitally driven acceleration in the sales cycle. The result is complex and opaque supply chains under constant strain from relentless price pressure.

As the industry boomed, labour rights have gotten worse.

More than 60 people died and nearly 600 were injured working in apparel and textile factories around the world in 2022, according to an [incident tracker](#) compiled by labour advocacy group Clean Clothes Campaign. Fatalities in China, India, Pakistan and Turkey were caused by fires, toxic leaks, boiler explosions or a building collapse.

Many of Bangladesh's factories were never covered by the Accord or the Alliance, and the remit of the two agreements was limited. The country's apparel sector still ranks as having extreme safety risk, according to risk consultancy Verisk Maplecroft.

Meanwhile, the economic pressures created by the Covid-19 pandemic and its fallout worsened the risk of other forms of labour abuses, including modern slavery and wage theft. Across the industry,

garment workers earn [roughly half](#) what is required to reach a decent standard of living, according to multi-stakeholder advocacy group The Industry We Want.

“When you’re squeezed and nobody’s monitoring it, you start to cut corners,” said Mark Anner, professor of labour and employment rights and director of the Center for Global Workers’ Rights at Pennsylvania State University.

### An Era of Self-Regulation

For the most part, big brands’ strategies to prevent and address labour abuses in their supply chains are still based on a system of private audits, certifications and codes of conduct that emerged in the 1990s following a series of sweatshop scandals.

It’s the same system of voluntary self-regulation that failed to prevent Rana Plaza. Two of the factories in the building had been declared safe by accredited auditors shortly before the collapse.

Critics say the system is riddled with conflicts and over the course of 30 years has led to at best incremental progress in labour standards. On average, audits are based on unreliable or falsified information more than 40 percent of the time, according to [research](#) published by Cornell University’s School of Industrial and Labor Relations in 2020.

### A Fragile Template

Simply keeping the Accord’s legally binding framework alive is an achievement.

The agreement wasn’t established as a permanent deal. It faced opposition from Bangladesh’s government and politically powerful factory owners, who argued responsibility for safety monitoring should ultimately lie with a national organisation. Manufacturers, who had no say in the Accord agreement, also chafed at the fact costly repairs and upgrades largely fell on their shoulders. And even now, dozens of large companies that source from Bangladesh are not part of the initiative, preferring their own programmes or commitments that don’t come with the same binding requirements.

It’s taken 10 years of graft to prove the model to a point where a large number of brands have been willing to sign on for broader expansion.

At the beginning, “there was a legitimacy question,” said Christina Hajagos-Clausen, director for the textile and garment industry at global union IndustriALL and a member of the International Accord’s steering

committee. “A lot of detractors were saying... this agreement will never last.”

But the Accord has lasted, and evolved.

In Bangladesh, its operations were passed in 2020 to the Ready-Made-Garment Sustainability Council, or RSC, a separate organisation chaired jointly by brands, unions and manufacturers. The tense transition returned responsibility for safety to a national body and addressed objections that factory owners had no voice in the Accord.

But after months of wrangling, labour groups also secured a new legally binding agreement with brands to sustain safety commitments in Bangladesh and extend and expand the initial Accord framework to other garment producing countries.



The Bangladesh Accord faced opposition from powerful factory owners. Steven K via Shutterstock.

The International Accord for Health and Safety in the Textile and Garment Industry, or International Accord, is expected to function as an umbrella organisation that cooperates with country-specific programmes. In Bangladesh, brands continue to fulfil their commitment by working with the RSC, which operates as an independent, separate body. In December 2022, the group launched the Pakistan Accord, expanding outside Bangladesh for the first time.

### A Shifting Market

It’s an urgent moment for the industry. What fragile progress has been made

on fashion’s social impact is under threat from the pandemic’s long tail, rising inflation and broader geopolitical instability, among other factors.

Meanwhile, the risks of inaction are growing alongside shifting consumer and investor expectations and tightening regulation.

Since the pandemic, big brands have been hit by a number of high-profile, social media-savvy campaigns, naming and shaming companies for failing to protect garment workers. In April 2023, advocacy group Remake launched a push to pressure non-signatories to #SignTheAccord, the latest in a series of actions targeting brands that have not committed to the initiative in Pakistan.

Investors have ratcheted up the pressure too, with a group representing more than \$1 trillion in assets under management urging brands sourcing in Pakistan and Bangladesh to sign both the International and Pakistan Accord. The binding agreements offer a template for companies to effectively manage human rights risks in their supply chain and drive meaningful, long-term improvements, they said.

The call comes as policymakers in a growing number of jurisdictions move to make it a requirement for brands to monitor and address supply-chain labour abuses. For instance, Germany introduced a due diligence law in January 2023 that obliges companies above a certain size to ensure social and environmental standards are observed in their supply chain, or risk fines of up to 2 percent of annual global turnover.

“Mandatory due diligence is coming,” said Hajagos-Clausen. The Accord “is a way to demonstrate you’re meeting your obligations.”

# Towards a New Model

## 01 — A Legally Binding Obligation



Labour groups say legally binding agreements are needed to provide garment workers with recourse when things go wrong. Zabed Hasnain Chowdhury via Getty Images.

At the heart of what made the Bangladesh Accord game-changing was that it had teeth. “This was the first time in history we had this type of legally binding agreement between trade unions and brands,” said president and co-founder of the Bangladesh National Garment Workers Federation and International Accord board member Amirul Haque Amin.

Under the agreement, brand signatories could be taken to court for failing to meet their commitments to ensure safety standards in the factories they sourced from. It’s a level of accountability that remains unusual in an industry that still largely relies on voluntary standards and codes of conduct.

However, the initiative’s binding nature also made some brands wary. Legal risk is a key reason many American brands gave for refusing to sign the Accord in 2013, turning instead to the less-constraining

Alliance. It remains a stumbling block in efforts to expand the International Accord’s membership base.

But the Accord’s supporters say that the last decade has effectively debunked these concerns. In that time only two cases have been brought against brands for failing to meet their obligations. In 2016, unions IndustriALL and UNI brought cases against two major brands at the Permanent Court of Arbitration in the Netherlands, alleging the companies had failed to address in a timely manner hazards identified at contracted factories in Bangladesh. Both cases were settled, resulting in payouts of upwards of \$2 million to help address the safety issues.

“We’ve now had 10 years of experience under the Accord, including major US signatories like PVH and very large European signatories with major business in the US,” said Nova. “There are zero examples of litigation risk playing out.”

Even for companies that remain unconvinced, the regulatory landscape in both Europe and the US is shifting to make brands more accountable for what happens in their supply chains. In the meantime, labour groups say legally binding commitments like the Accord are needed to create accountability and provide garment workers with recourse when things go wrong. In their absence, any progress on labour rights is left vulnerable to business needs, they say.

“What was a real eye-opening moment was the beginning of the pandemic when brands cancelled orders out of the blue,” said Christie Miedema, campaign and outreach coordinator at labour advocacy group Clean Clothes Campaign. “That was really like, ‘oh wow, when shit really hits the fan, all that talk about partnership and being responsible is worth nothing.’”

## 02 — A Question of Cost

One of the Accord’s overarching challenges came down to money.

Brand signatories committed to fund the cost of safety inspections and administer the programme, initially agreeing to annual fees of up to \$500,000 (these have been revised down to a maximum of \$350,000 a year under the new International Accord). To date, brands have invested more than \$70 million into the initiative.

But the biggest costs for expensive safety upgrades — estimated to run into hundreds of millions of dollars — fell on manufacturers, which created significant tensions. Though the Accord required brands to support suppliers with long-term sourcing commitments and commercial terms that made it affordable to maintain and improve safety standards, factory owners have complained consistently that brands didn’t do enough to help with financing.

“Every brand was supposed to support remediation; they have not done it,” Faruque Hassan, president of The Bangladesh Garment Manufacturers and Exporters Association, or BGMEA, said in an interview with BoF on the sidelines of a conference in Dhaka in November 2022.

Remediation progress has slowed significantly in recent years and more than 1,300 factories still need to complete final upgrades, according to January 2023 data from the RSC, which took over the Accord’s operations in Bangladesh in

2020. That’s partly because of a backlog that built up during the pandemic, but also because many of the issues that still need to be resolved are big-ticket items. For example, some 50 percent of RSC factories that had inadequate fire systems during initial inspections have yet to install fire detection and alarm systems that are up to code, according to the RSC.

### Pricing Squeeze

Though clothing exports from Bangladesh hit a record of nearly \$46 billion in 2022, manufacturers have also faced relentless pricing pressure. Between 2011 and 2016, profit margins at supplier factories in the country fell by around 13 percent, according to a report published by Pennsylvania State University’s Center for Global Workers’ Rights in 2018. The result was a decrease in real wages and increase in workers’ rights violations, even as the Accord ensured improvements in safety standards, the report concluded.

The pandemic amplified these pressures, creating order instability and squeezing prices. In the summer of 2020, nearly 60 percent of manufacturers in Bangladesh said they had accepted some orders below the cost of production, according to further research by the Center for Global Workers’ Rights.

“It is unfair for the retailers to demand European factory standards when they are paying Bangladeshi prices for the clothes they buy,” Reaz Bin Mahmood,

then vice president of the BGMEA, [told The Wall Street Journal](#) in 2014.

Accord steering committee members have acknowledged the tension and the need to address purchasing practices alongside initiatives like the Accord. Making sure manufacturers and local governments are included in the Accord’s decision making is a key part of its evolution.

“One of the key learnings is that it’s important to involve the industry from the start so they have a say in how the programme is developed and feel meaningfully involved,” said Oldenziel.

### The ‘Free Rider’ Problem

Another point of contention is which brands are participating, and which ones aren’t.

Several global companies that source in Bangladesh, including Gap Inc., VF Corp. and Walmart, are still not signatories. Instead, after Rana Plaza they formed the Alliance, succeeded in 2018 by a US-based organisation called Nirapon, which primarily focuses on providing training and guidance to help factories sustain and embed safety gains.

Supporters of the Accord contend that non-signatories are — [sometimes explicitly](#) — piggybacking off the due diligence paid for by their competitors without contributing in any way.

“There’s a free-rider component going on,” said Hajagos-Clausen. “You can have brands who are not signatories, not participating, not being held accountable, but reaping the benefits.”

Nirapon CEO and chief safety officer Paul Rigby said members of his organisation, who subsidise training programmes and fund a complaints line, suffer from the same problem. VF declined to comment, while Gap and Walmart did not respond to requests for comment.

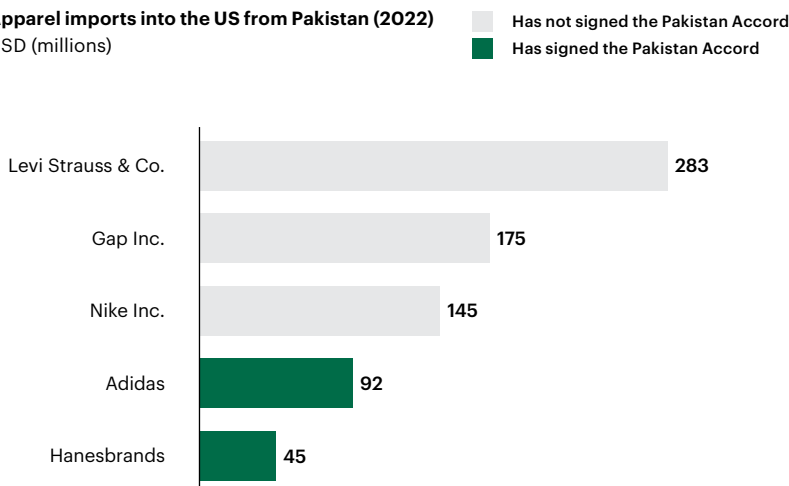
Mixed participation has been a particular point of tension in the effort to expand the Accord into other countries, where a greater proportion of brands might not be members of the initiative. Labour groups have launched concerted campaigns in an effort to pressure companies like Levi Strauss & Co. — the largest US importer of apparel from Pakistan, according to S&P Global Market Intelligence — to participate as the Accord expands internationally.

Levi’s said its own programmes offer it more flexibility to incorporate new learnings and that it does not have plans to join the Pakistan Accord.

### Exhibit 5: Missing Links

Levi’s, Gap and Nike are the largest importers of apparel from Pakistan to the US. They haven’t signed the Pakistan Accord.

**Apparel imports into the US from Pakistan (2022)**  
USD (millions)



Source: S&P Global Market Intelligence and Pakistan Accord



### 03 — Transparent Communication



Many fashion brands still do not publicly publish lists of their suppliers. Mustasinur Rahman Alvi via Getty Images.

When Rana Plaza collapsed, brands sourcing from Bangladesh were confronted with an uncomfortable reality: many of them had no idea whether their supply chains were implicated in the disaster.

The industry functioned by outsourcing manufacturing to the cheapest option. Suppliers often subcontracted orders out to other factories, building complexity and opacity into the system that made it easy for safety and labour issues to go undetected or ignored.

To this day, brands often only have limited visibility into who makes the clothes sold on high streets and in malls. In 2013, what details they did have about their suppliers were considered trade secrets, kept out of public sight.

The Accord “broke that barrier,” said Hajagos-Clausen. “The sky didn’t fall when brands had to list their factories.”

Brands that signed up had to identify all the factories they worked with in Bangladesh. The organisation published the factory list on its website, alongside quarterly updates on inspections and remediation progress.

“The transparency in the Accord was unprecedented,” said Bride, who helped draft the original agreement as a union representative and worked for the Accord in Dhaka before joining PVH.

The broader push towards greater transparency within the industry has made slow progress. While today it’s normal for brands to publish lists of their suppliers, many still don’t.

Information on the outcomes of factory monitoring programmes is even less consistent, making it very difficult for investors, consumers and other industry watchers to understand how brands are managing labour rights in their supply chains.

“We still have a lack in terms of standardisation in due diligence and monitoring processes, so it’s hard to make comparisons and be sure it’s not greenwashing [from a] social perspective,” said Giulia Pinizzotto, ESG research analyst at sustainability ratings company Sustainalytics. Meanwhile, fashion ranks among the industries most frequently linked to supply-chain-related controversies, she said.

## 04 — Cooperation and Collaboration



Unions say that the Accord has empowered workers to refuse unsafe working conditions without fear of retaliation. Zakir Hossain Chowdhury via Getty Images.

In 2014, the Accord inspected 1,100 factories in Bangladesh over the course of nine months. It was the first time independent, qualified professionals had been brought in to assess the structural integrity of factories, highlighting the weaknesses and deadly blindspots fashion's privatised system of audits had enabled.

“Everyone was afraid of another Rana Plaza,” said Oldenziel. “Nobody knew how bad the state of factories was.”

The Accord's first round of inspections found more than 50 garment factories to be so unsafe that they needed to be evacuated.

Under the agreement, inspections were not directed by individual brands, removing a conflict of interest that had long worried labour groups. Factories and the companies they worked with were required to put together remediation plans with clear timelines to address any issues, with progress regularly monitored by Accord engineers.

“Prior to the Accord, there were many social auditing schemes, but they were often directed by the brands themselves. They all know the risk of a conflict of interest,” said Oldenziel.

Beyond inspections, the Accord reached more than 2 million workers with safety training and established more than 1,200

labour-management safety committees to address and monitor factory safety on a day-to-day basis. It established an independent complaints mechanism that wasn't overseen by brands or manufacturers, reaching some 2 million workers and handling more than 1,000 complaints over the last 10 years, publicly reporting on how they were addressed.

These initiatives have been central to the Accord's impact, empowering workers to refuse unsafe work without fear of retaliation, unions say.

“The beauty of the Accord, you know, apart from the binding agreement, was that it has a complaint mechanism,” said Kalpona Akter, founder and executive director of the Bangladesh Center for Workers Solidarity, during a media briefing in March 2023. “Workers can raise a complaint without fear that they [could lose] their job, or they will be facing any other consequences.”

To be sure, maintaining an independent balance of voices is difficult. In 2020, the Accord's operations in Bangladesh transitioned to the RSC, chaired jointly by brands, manufacturers and unions. Labour groups say the mix has reduced their clout and warned of a risk of backsliding. The RSC said it is continuing to build on the Accord's work and has helped hundreds of factories complete

their remediation plans.

### Collective Action, Missing Links

A decade after it was first established, the Accord has set a new standard for collaborative, transparent and accountable labour programmes, but its remit remains limited. More than 1,300 factories still need to complete their remediation programmes and many more facilities in Bangladesh were never covered by the Alliance or the Accord.

As it expands internationally, broadening the initiative's impact also means bringing more players on board. The fashion industry works through outsourced supply chains and even big brands are typically only one of several clients a factory might work with, so individual corporate initiatives have struggled to move the needle. Nonetheless, many brands have yet to be convinced of the model, testing the effectiveness of collective action as the Accord expands internationally.

“Using the promise of collective action to leverage change, that's really like a fundamental piece to the success of the Accord,” said Hajagos-Clausen. “Brands have so many separate programmes and they're not making change.”

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# Looking Ahead

## International Expansion

Though it's taken a decade, the binding, transparent and multi-stakeholder framework established by the Accord is slowly widening its reach.

Nearly 200 brands have joined the International Accord, established in 2021 as a successor to the Bangladesh agreement. The organisation is exploring projects in India, Sri Lanka and Morocco, which were identified as priority countries based on the sourcing footprint of brand members, the severity of safety issues and support from local stakeholders. By the end of the first quarter of 2023, 43 brands had signed on to the newly formed Pakistan Accord.

The organisation is applying lessons from the last decade in Bangladesh, taking care to include local government and industry from the start.

To be sure, bringing together an array of stakeholders is complicated and even controversial, underscoring why the Accord framework isn't a quick fix. Each country where the initiative might expand has its own suite of challenges, ranging from getting the right people to enter into dialogue together to specific health and safety issues.

"The multi-stakeholder and governance model of shared sovereignty ... is quite slow and messy at times," said PVH's Bride. "But I'd argue that it's more enduring."

## A Wider Remit

While the Accord historically focused inspections on fire, electrical and building safety, its reach has expanded. It now covers boiler safety as well, and through its complaints mechanism, it addresses workplace harassment and non-payment of maternity wages, among other issues.

As the International Accord evolves, labour groups are keen to broaden its scope to encompass human rights due diligence, as well as apply the framework to other industry issues, like wage theft, gender-based violence and freedom of association.

"The goal from our perspective is not just to expand the safety Accord, but to begin to expand this entire model to a broader set of labour rights issues," said Nova.

Over the last decade, a handful of other agreements have emerged that draw on the Accord's legally binding framework. But so far, they haven't galvanised the same proportion of the industry, limiting their impact.

Arrangements like the Accord shouldn't stand in for broader regulatory reforms to require safe and secure work for millions of garment workers. But in the absence of robust protections, the Accord's supporters say its framework is an important tool to create better accountability.

Its limited implementation is one explanation for why the industry has made so little progress on workers' rights elsewhere, labour advocates say.

"We have a binding agreement in one area ... and so we saw a sweeping change in that one area. We lack a binding agreement in the other areas and so we did not see that change," Nova told journalists during a press briefing on the Accord's global expansion organised by labour advocacy groups Remake and Clean Clothes Campaign in March 2023.

"The lesson going forward in our view is that if we want to see the kind of progress on wages, on the right to organise, on other issues that we've seen on building safety, we need to apply that same model."

## Growing Pressure

While many big brands have yet to sign up to the Accord — or similar initiatives — companies are coming under growing pressure to demonstrate they have robust, credible mechanisms in place to monitor and address workers' rights in their supply chains.

From California to France to Germany, policymakers have implemented laws that make brands more responsible for what happens in their supply chains. Similar regulation is under consideration in the European Union as well as at US state

and federal levels. The regulatory shifts are lending momentum to pressure from consumers and investors, too.

Companies are looking at different mechanisms to fulfil these obligations, building on brand-run programmes or other multi-stakeholder initiatives to support safety monitoring and capacity building. But the Accord's supporters argue the framework has proven its impact and after a decade in operation demonstrated that many of the initial objections from brands haven't played out, opening the way for further expansion.

"What's different is that we have a 10-year track record of substantive success," said Bride. With new regulations coming in, it "may cause brands to look at things a little differently."

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# Further Reading

- The Business of Fashion, [The BoF Sustainability Index](#)
- The Business of Fashion, [Bangladesh Accord Expanded in Eleventh-Hour Deal](#)
- The Business of Fashion, [Brands Face New Pressure on Labour Rights](#)
- The Business of Fashion, [Fashion's Age of Self-Regulation Is Over](#)
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