

**Report to the Chancellor on the *Accord on Fire and Building Safety in Bangladesh*  
and the *Alliance for Bangladesh Worker Safety***

University of Wisconsin-Madison Labor Codes Licensing Compliance Committee

Lingran Kong, Chair

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## 1. Executive Summary

Bangladesh is currently the second largest producer of ready made garments in the world and is a major source of collegiate licensed apparel. It is also the site of a growing crisis in worker safety, particularly around fire and building collapse risks. Such disasters have taken the lives of nearly 2,000 workers since 2005. In April 2013 the collapse of the Rana Plaza building killed 1,133 workers and injured 2,000 more, making it the deadliest accident in the history of the garment industry. While it does not appear that collegiate licensed apparel was being produced there at the time of the accident there is no reason to believe that this risk was unique to that factory.

While only 5% of University of Wisconsin licensees currently source from Bangladesh, those that do account for 35% of 2012-13 licensing revenues. Associating the University of Wisconsin logo and brand with goods produced under such conditions has the potential to do serious harm to the University reputation in the eyes of students, faculty, staff, alumni and the broader public. It is certainly contrary to the Wisconsin Idea. The Committee is deeply concerned about the possibility of future deadly accidents, particularly at factories producing licensed collegiate goods. The Committee has looked for ways to ensure that our Labor Code of Conduct, which requires compliance with local law as well as the provision of a safe and healthy working environment, is being followed at factories producing our apparel in Bangladesh.

In response to the recent accidents, one initiative has gained attention and several others have been created for the purpose of improving safety conditions for Bangladesh garment workers. The Committee sought to evaluate the two most prominent and expansive initiatives, the Accord on Fire and Building Safety in Bangladesh (Accord) and the Alliance for Bangladesh Worker Safety (Alliance), to determine whether they might present a viable program through which the University could improve safety conditions at its Bangladesh supplier factories and in the garment industry more broadly.

When evaluating the Accord and the Alliance, the Committee considered the following aspects: factory inspections and qualifications of inspectors, funding for renovations and repairs, role of worker representatives, right to refuse dangerous work, membership cost, and mechanism for enforcement.

After conducting a thorough review of both initiatives, the Committee met with the Chancellor March 10, 2014 and recommended to the Chancellor that our licensees who produce or source licensed apparel in Bangladesh sign on to and remain a party to the Accord. The Chancellor announced that the UW-Madison will require licensees to sign the Accord on March 14, 2014.

## 2. Problem, risks, and opportunities facing the University

Bangladesh is currently the second largest producer of ready made garments in world, supplying major international brands in North America, the EU, and elsewhere. The RMG sector is now the largest foreign exchange earner for Bangladesh and, according to the ILO, makes up approximately 25% of Bangladesh's 2010 GDP. Bangladeshi workers have some of the lowest wages in the world, with a monthly minimum wage in the garment sector of about \$39. A large proportion of the workers in the RMG sector are women.

### 2.1 Recent accidents in Bangladeshi garment industry

Worker safety is currently a major issue in Bangladesh. There have been a series of deadly fire and building safety disasters that have taken the lives of nearly 2,000 workers since 2005. These disasters include the Rana Plaza building collapse on April 24th, 2013, which killed 1,133 workers and the Tazreen Fashions Limited fire, which killed 112 workers on November 24<sup>th</sup>, 2012, as well as a number of other fatal accidents. It is clear from these recent disasters that conditions in Bangladesh garment factories are grossly unsafe and that despite years of efforts by major brands and retailers to implement corporate social responsibility programs, the industry remains a dangerous, deadly industry in which workers risk their lives every day they go to work.

Given that the cost of materials is as much as 80% of the cost of production, utilities and interest are fixed, and labor costs are the lowest in the world, pressure to produce at ever lower costs have compromised building safety, since this is one of the only costs that owners can control.

### 2.2. The University's exposure

Although we are not aware of any fatal disasters taking place in a factory that was producing collegiate apparel at the time of the accident, university licensees have been implicated in multiple incidents in which workers were killed. The Tazreen Fashions Ltd. factory, where 112 workers were killed in a fire on November 24, 2012, was producing non-collegiate apparel for MJ Soffe, a University of Wisconsin licensee, at the time of the fire and had produced collegiate product in the year prior. A December 2010 fire at That's It Sportswear Ltd. killed 29 workers who were sewing clothing for VF, the parent company for VF Imagewear and Jansport, both University of Wisconsin licensees. Moreover, the VF supplier that owns That's It Sportswear was a producer of collegiate goods at one of its other factories. A VF collegiate factory also caught fire in late 2011; fortunately, there were no fatalities (VF later claimed it had stopped producing at the factory shortly prior to the fire). Given this history, it is important that steps be taken to ensure that our logo goods are produced in workplaces which operate safely to avoid detrimental impacts to UW-Madison's reputation.

As of late February 2014, about 5% of current UW licensees currently source from Bangladesh, although a larger proportion have used Bangladeshi contractors in the past. But this 5% represents some of our largest licensees, including Adidas. All told,

licensees with ongoing contracting relationships in Bangladesh account for about 35% of collegiate licensing revenues, according to our Trademark Licensing Director.

### 2.2.1. UW-Madison's Labor Code of Conduct

Below are the relevant portions of the University of Wisconsin Labor Code of Conduct:

*II.A. Legal Compliance: Licensees must comply with all applicable legal requirements of the country(ies) of manufacture in conducting business related to or involving the production or sale of Licensed Articles.*

*II.B. 6. Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.*

### 2.2.2. The Fire and Building Crisis Beyond Bangladesh

It should be noted that Bangladesh is not the only country in which deadly accidents in the garment industry have taken place. In September 2012, nearly 300 workers were killed in a fire at the Ali Enterprises garment factory in Pakistan. In May 2013, several Cambodian workers were killed when the roof of the Wing Star Shoe factory collapsed. Although this report focuses exclusively on policy recommendations to address the crisis in Bangladesh, the committee may wish to consider expanding its recommendations to include other countries in the future.

## 2.3 The need to take early, decisive action

In the 2012-13 academic year, UW-Madison took in \$1,340,011 of our licensing revenue from brands who source in Bangladesh, out of a total licensing revenue of \$3,850,766.

The Committee recognizes the value to the University in taking early, decisive action vis-à-vis our licensees sourcing from Bangladesh. The University has long been considered a leader in the global fight to end sweatshops and it is important that we continue to be at the forefront of these efforts. Since the LCLCC's inception, UW-Madison has demonstrated leadership in protecting workers by upholding our Code of Conduct. For example, we did this in 2008 with New Era Cap, in 2009 with Russell Athletic, 2010 with Nike, and 2012-13 with Adidas.

The Committee also believes that, while the problems in Bangladesh are extreme and have been in the headlines repeatedly, it is not the only problem spot in global apparel supply chains. Taking decisive action in the Bangladeshi case serve to communicate to our licensees sourcing from other parts of the world the depth of our commitment to our Codes of Conduct.

Currently, nine other universities have required that their licensees sign on to the Accord. These include: Duke University, University of Pennsylvania, New York University, Temple University, Columbia University, Pennsylvania State University, Georgetown University, Cornell University, and the University of Washington. The Committee

believes that UW-Madison should join these peer institutions in ensuring that our licensees are accountable for their supply chain.

### 3. Methodology

#### 3.1 Objectives of LCLC committee and criteria for evaluating proposals

Production conditions in the Bangladeshi RMG sector are clearly unacceptable from the perspective of our existing Code of Conduct. It is unlikely that the University could undertake a unilateral response that would make tangible improvements on the ground. Therefore, the Committee sought to evaluate the existing policy responses developed and decide which, if any, the University should support in its relationships with our licensees.

The Committee's objective was to evaluate the two leading initiatives regarding fire and building safety in Bangladesh: the Accord and the Alliance, and to determine the extent to which either initiative was a viable and effective approach to improving safety conditions for Bangladesh garment workers making University of Wisconsin logo goods. The Accord was developed in 2010 by several large international brands and retailers in consultation with domestic and international labor representatives and other NGOs, including the Workers' Rights Consortium (WRC), with which UW-Madison is affiliated. The Alliance was developed by several large international brands and retailers that source from Bangladesh in direct reaction to the Rana Plaza disaster.

#### 3.2 The dimensions on which the proposals are compared

The committee identified the following criteria for comparison:

**Participating Brands and Retailers:** These are the brands and retailers that have signed onto and agreed to participate in each initiative. The committee views favorably an initiative that comprises a broader range of affiliates and a larger proportion of existing UW-Madison licensees.

**Role for Worker Representatives:** This is the extent to which worker representatives, free from actual or apparent influence or coercion by employers, have a formal role in the governance and implementation process of the program.

**Safety Inspections:** These are the inspections that will be carried out at each covered facility for the purposes of evaluating the factory's level of compliance with fire, building and electrical safety standards. The committee prefers inspections that are regularly carried out on a random, unannounced basis, conducted by qualified technical personnel free from actual or apparent influence or coercion by employers.

**Funding for Repairs and Renovations:** This is the money that will be made available to factories for the purpose of carrying out any and all safety renovations and repairs deemed necessary by the inspectors. The committee prefers funding to be committed ex ante and available to all factories on attractive, profitable terms.

**Right to Refuse Dangerous Work:** This is the right of workers to refuse to engage in work that they believe to be unsafe, including the right to refuse to enter a building that

they do not believe is safe, as well as the right to leave a building that is unsafe. At Rana Plaza, workers initially refused to enter the building on the morning of April 24, believing the building to be unsafe. Managers forced workers to enter by threatening to withhold their wages, and the building collapsed shortly thereafter. If workers had enjoyed respect for the right to refuse dangerous workers, many of the 1,133 people who were killed that day would still be alive.

**Enforcement:** This is the mechanism through which the commitments made by the participating brands and retailers are enforced.

**Signatory Costs:** What signatories are expected to contribute to each program to maintain its operations, not including factory remediation costs.

**Transparency, Auditing and Reporting of Inspection Findings:** This is the procedure that is followed after inspections are conducted and reports are compiled of the status of the factories. The committee prefers auditing and inspection reports that are transparently developed and regularly visible to workers and to the Committee.

**Breadth of Coverage:** This is the number of factories in the country will be included in the initiative.

**Remediation and Wages:** The process by which factories that are in need of safety upgrades are fixed and made to meet standards. Additionally, how workers are compensated during this period.

**Governance Structure:** Who oversees and operates each initiative.

**Implementation Success to Date:** Both initiatives have begun their inspections process, and initial reviews of their success are available.

### 3.3 Possible recommendations that the committee could make

The Committee entertained the following possible actions to recommend to the Chancellor:

- Do nothing
- Request that Licensees formally state their policies on Bangladesh
- Formally state a preference that Licensees join either Accord or Alliance, with no stated preference between the options
- Formally state a preference that Licensees join Alliance
- Formally state a preference that Licensees join Accord
- Require Licensees join either Accord or Alliance as a condition of continuing the licensing relationship, with no stated preference between the options
- Require Licensees join Alliance as a condition of continuing the licensing relationship

- Require Licensees join Accord as a condition of continuing the licensing relationship

### 3.4 Informational Foundation

Following the Chancellor's request, the Committee sought information and statements from a variety of licensees and stakeholders. Specifically, the Committee undertook the following:

- § Collected the Accord and Alliance agreement terms;
- § Sent direct requests to all licensees asking them to disclose their production activities in Bangladesh, their response to the Rana Plaza disaster, and their plans vis-à-vis the Accord and Alliance;
- § Actively followed the decisions made by other peer institutions;
- § Conducted meetings or conference calls with licensees who have signed the Accord (Knights Apparel), the Alliance (VF Corp.), and remain as-yet unaffiliated (Top of the World<sup>1\*</sup>);
- § Heard from Scott Nova, Executive Director of the WRC;
- § Sent Committee representatives to the Atlanta informational meetings with licensees, the Collegiate Licensing Company, and the WRC;
- § Had Committee representatives participate in the Alliance conference webinar
- § In person meeting with Bangladeshi worker representatives Kalpona Akter, with the Bangladesh Center for Worker Solidarity and Reba Sikder, Rana Plaza survivor.

### 4. Findings

The LCLCC compared the Accord and Alliance using 12 dimensions discussed in the previous section; see Table 1 for a summary of the comparisons. In terms of participating brands and retailers, the Accord includes a broader range and a higher participation rate than the Alliance. Among the signers of the Accord are H&M, the largest buyer from Bangladesh; Inditex, the world's largest fashion retailers; and PVH, which owns Calvin Klein and Tommy Hilfiger; Abercrombie & Fitch; Fruit of the Loom, adidas, and others. Over 150 companies from 21 countries have signed onto the Accord while 26 brands, from the US and Canada, including Walmart, the largest retailer in the world have signed the Alliance.

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<sup>1</sup> Since our conference call with Top of the World, they have become a signatory to the Accord

As of late February 2014, UW licensees who source in Bangladesh and have already joined the Accord accounted for 23% of Wisconsin's 2012-13 collegiate licensing royalties. Licensees who source in Bangladesh and have already committed to the Alliance accounted for 0.1%. Companies sourcing in Bangladesh and not yet signing on to either accounted for 12.0%, with the balance coming from companies with no current sourcing relationships in Bangladesh.

In addition to company signatories, there are two global union federations and eight Bangladeshi union signatories, and three witness signatories: the Worker Rights Consortium, International Labor Rights Forum, Clean Clothes Network, and the Maquila Solidarity Network. The Alliance also lists supporting associations, including: American Apparel & Footwear Association, BRAC, Canadian Apparel Federation, National Retail Federation, Retail Council of Canada, Retail Industry Leaders Association, and the United States Association of Importers of Textiles & Apparel.

The initiatives differ in terms of worker representation and involvement. The Accord includes three worker representatives elected to its governing body. Also under the Accord, workers are required to comprise 50% of the Health and Safety committees within each factory, participate in factory inspections, as well as implementation and enforcement of the Accord. The Alliance was developed without worker input, the governance structure does not include workers and they have no role in factory inspections, implementation or enforcement.

Under the Accord, safety inspections are carried out by independent, third party, qualified fire, building, and electrical safety engineers. Under the Alliance, the brands and retailers do not carry out safety inspections with independent safety engineers; the Alliance members pick, hire and pay the inspectors and control how the inspection results are distributed and acted upon.

In terms of funding for necessary repairs and renovations identified by the safety inspections, signatories of the Accord are required to ensure that the factories they contract with are financially able to carry out all necessary renovations and repairs; if the factories are not able, the signatories must provide funds proportionate to their production levels to ensure repairs are completed. If building owners are not willing to cooperate with necessary repairs, brands are responsible for helping workers move to another factory. Under the Alliance, the signatories are not required to provide money for renovations or repairs but can contribute to a voluntary loan fund for factories wishing to carry out repairs.

Under the Accord, workers are explicitly granted the right to refuse dangerous work without retribution. The Alliance makes no reference to the right to refuse dangerous work.

The Accord is a legally binding contract; any disputes are required to be resolved via binding arbitration enforceable in the brand's home country. Worker representatives can enforce the terms of the agreement. Under the Alliance, all commitments are voluntary,



with the exception of the requirement to pay a membership fee, and there is no participation by workers in enforcement of the program.

The signatory fee structure of the Accord and the Alliance are both based on annual dollar volume of exports from Bangladesh. They have different tier structure, with the Accord starting at \$1000 per year for exports less than one million, and the Alliance starting at \$62,500 for exports less than \$25 million. At all levels of production, the membership fee of the Accord is less than that of the Alliance, but this must be balanced against the Accord's requirement that signatories finance any and all building safety remediation, with the cost breakdown being made on a factory by factory basis, with the largest signatories bearing the majority of the financial burden. The Alliance makes no such requirement.

The Accord also publicizes all of their factory investigations. The Alliance Members Agreement makes no mention of making reports public.

As of Feb. 2, 2014, the Accord covers 1,613 factories in Bangladesh, which encompasses 2,034,273 workers. As of Feb. 15, 2014, the Alliance covers 833 factories and 1.58 million workers.

The Accord will compensate workers for up to six months if their factory is to undergo renovations. The Alliance has no mandatory provisions for compensating workers during factory repairs; the Alliance sets aside 10% of funds for Worker Compensation in case of factory shut down due to repair, however, distribution of these funds is at the discretion of the executive director and does not require full-payment of lost wages to any or all workers.

The Accord is governed by a Steering Committee that maintains three members from unions, three from brands, and a chair from the International Labour Organization. The Alliance has a Board of Directors that is selected by signatory companies and is composed of brand and NGO representatives, and a representative of the trade association for Bangladesh's factory owners, the BGMEA.

In the past several months, we have been able to see both the Accord and Alliance begin the inspection process. Accord brands have carried out hundreds of their own safety inspections, but their factories will still be inspected independently through the Accord. The first 10 reports were released and posted on line this March 2014 at the Accord website: <http://www.bangladeshaccord.org/inspection-reports/>. The Alliance brands have also performed hundreds of safety inspections, which will be credited as official Alliance inspections. While 250 factories are listed on the Alliance website it is not clear which have been inspected. None of the Alliance inspection reports have been made publically available; reports apparently are posted at the Fair Factories Clearinghouse website, which requires a membership fee to view the reports: <http://www.fairfactories.org/our-solutions/SolutionsOverview.aspx>. The CEO of the Alliance resigned in February, and a replacement is currently being sought.

<b>Criteria</b>	<b>Accord</b>	<b>Alliance</b>
Participating Brands and Retailers	More than 150 companies from nearly 20 countries <sup>1</sup>	26 companies- from the U.S. and Canada <sup>2</sup>
Role for Worker Representatives	<p>Three worker representatives are appointed by the signatory unions to the six member Steering Committee, the governance body of the Accord. Worker representatives play a co-equal role with brands and retailers in the governance and implementation of the Accord. Health &amp; Safety committees are required and must be comprised of workers and managers from the factory.</p> <p>Worker-members must constitute 50% of the committee and are chosen by the factory union or elected if no union is present. Worker representatives participate in factory inspections and the development of corrective action plans. Worker representatives are part of the teams that provide in-factory training to workers and managers. There is a worker complaint mechanism.</p> <p>The Accord will create worker centers in locations where production is concentrated.<sup>3</sup></p>	<p>The Alliance was developed without input by worker representatives and workers do not have a stated role in the program’s governance or in factory inspections.<sup>4</sup></p> <p>There will be Health &amp; Safety committees and the Alliance has hired industry consultants to create a complaint hot-line.</p>

<b>Criteria</b>	<b>Accord</b>	<b>Alliance</b>
Safety Inspections	<p>Inspections are carried out under the oversight of the Accord’s Chief Inspector, by fire, structural and electrical safety engineers from international firms. The inspections are independent: brands do not choose or pay the inspectors, do not schedule the inspections, and do not receive the reports before other stakeholders. The inspectors identify hazards and necessary corrective actions, which factories must implement. The inspectors’ reports are provided to brands, factories and worker representatives at the same time, within two weeks of the completion of the on-site inspections. Brands’ previous audits may be considered as relevant information, subject to the discretion of the Chief Inspector, but all factories must in any case undergo an independent Accord inspection. (5)</p> <p>Where severe and imminent risks are found in an inspection, the inspector must inform factory management and worker reps immediately and the Accord’s Chief Inspector can direct brands to insist that the supplier immediately suspend production and evacuate the factory building, pending corrective action. (7)</p>	<p>Inspections are carried out under the oversight of the brands and are not independent: the brands choose the inspectors (from a list of mainly local firms approved by the Alliance), pay the inspectors, schedule the inspections, and receive the reports before other stakeholders. Some factories will receive an additional ‘spot-check’ from the Alliance, but it is not clear how many or through what process. Brands are allowed to substitute their previous audits for Alliance inspections. There is no provision for reports to be shared with worker representatives.</p> <p>The Alliance says it will provide ‘a formal process for escalating issues in the event that severe and imminent life-threatening situations are suspected,’ but has not provided specifics. <sup>6</sup></p>

<b>Criteria</b>	<b>Accord</b>	<b>Alliance</b>
Funding for Repairs and Renovations	Signatory companies are required to ensure that factories are financially able to carry out all necessary safety renovations and repairs, by providing such financial support as is needed in each case. If building owners are not willing to cooperate with necessary repairs, brands are responsible for helping workers move to another factory. <sup>7</sup>	Signatory companies are not required to provide money for renovations and repairs. The only possible funding available to factories is through a voluntary loan program administered by the brands. Companies are not required to participate in this loans program as a condition of joining the Alliance. Process of inspections and re-evaluations is managed by the Executive Director. No details have been released about the specifics of the loan program and its participants. <sup>8</sup>
Right to Refuse Dangerous Work	The Accord explicitly protects the right of workers to refuse dangerous work, while compensating workers for all lost wages. <sup>9</sup>	The Alliance makes no reference to the right of workers to refuse dangerous work. <sup>10</sup>
Enforcement	The Accord is a legally binding contract between brands and global and Bangladeshi unions. Disputes will be resolved and company commitments enforced via binding arbitration. Any arbitration award shall be enforceable in a court of law of the domicile of the signatory against whom enforcement is sought and shall be subject to The Convention on the Recognition and Enforcement of Foreign Arbitral Awards (The New York Convention), where applicable. The process for binding arbitration, including, but not limited to, the allocation of costs relating to any arbitration and the process for selection of the Arbitrator, shall be governed by the UNCITRAL Model Law on International Commercial Arbitration 1985 (with amendments as adopted in 2006). <sup>11</sup>	Company commitments to financially contribute to the repair and renovation of factories are voluntary. The requirement to pay membership fees to the Alliance is legally enforced and subject to arbitration conducted by the international division of the American Arbitration Association, the International Centre for Dispute Resolution (“ICDR”). This is the only provision of the Alliance that is subject to enforcement through binding arbitration. <sup>12</sup>

<b>Criteria</b>	<b>Accord</b>	<b>Alliance</b>
Signatory Costs	The Accord has 8 fee tiers that range from a minimum of \$1,000 (for very small companies and licensees) to \$500,000. Each signatory company's fee is determined by its volume of production in Bangladesh. <sup>13</sup>	The Alliance has a 5 tier system that ranges from \$62,500 to \$1 million, which is determined by the dollar value of FOB exports. For the lowest tier, \$62,500 is the maximum that a member would pay. <sup>14</sup>
Transparency and Reporting of Inspection Findings	All reports of factory inspections are made public and include detailed information on the specific hazards identified, the corrective actions required and the dates by which these must be completed: <a href="http://www.bangladeshaccord.org/inspection-reports/">http://www.bangladeshaccord.org/inspection-reports/</a> There is also public follow-up reporting as to whether remedies have been implemented. <sup>15</sup>	The Alliance has said it will provide transparency but has not indicated what this will look like in practice. Inspection reports recently published by Walmart, the Alliance's largest signatory company, included no specific information on hazards found or remedies required.
Breadth of Coverage	As of Feb. 2, 2014, the Accord covers 1,613 factories in Bangladesh, which encompass 2,034,273 workers. <sup>17</sup>	As of Feb. 15, 2014, the Alliance covers 833 factories and 1.58 million workers. <sup>18</sup>

<b>Criteria</b>	<b>Accord</b>	<b>Alliance</b>
Remediation and Wages	If corrective actions are deemed necessary at a factory by the Accord inspectors, suppliers must commit to a mandatory schedule to implement the renovations. If workers are idled as a result of renovation work, they must, in all cases, be paid their normal compensation for up to 6 months. If a factory closes, or workers are laid off, because Accord brands are required to leave an unsafe factory, the brands are responsible for helping terminated workers find a new job at other supplier factories. <sup>19</sup>	No mention of rehiring in the event a factory closes. In the case of idled workers, the Alliance will provide income replacement from a fund valued at roughly \$4 million. This amount would be sufficient to provide income for workers at roughly 15 factories, assuming average 3 month closure, 1250 workers per factory and \$70 wage per month per worker (including overtime).
Governance Structure	The Accord’s governance is made up of a Steering Committee that includes equal representation from unions and companies and a chair from the International Labour Organization (ILO). <sup>20</sup>	The Alliance has a Board of Directors that is made up of company representatives, NFO representatives, and a representative of the trade association for Bangladesh’s factory owners. All Board members are chosen by, and serve at the pleasure of, the signatory companies. There are no worker representatives. <sup>21</sup>

<b>Criteria</b>	<b>Accord</b>	<b>Alliance</b>
Implementation Success to Date	<p>The Accord is now carrying out in excess of three dozen official Accord inspections per week. Initial public reports will be released in March. Accord brands have carried out hundreds of their own safety inspections, but all factories must still be inspected independently by the Accord. The Accord has a senior staff in place (the head of the Accord in Bangladesh is Brad Loewen, a public safety regulator from Canada); an annual budget for inspections and training of \$10.5 million, with provision for up to 100 local staff; and detailed protocols for the various forms of worker participation which are being approved by the Accord Steering Committee. The Accord has, in multiple instances, utilized its emergency protocol to force temporary closure of factories where workers faced a severe and imminent threat to their safety.</p> <p>(22)</p>	<p>Alliance brands have begun official Alliance inspections; the number per week has not been specified. Alliance brands have carried out hundreds of previous safety inspections which will reportedly be retroactively credited as official Alliance inspections. The Alliance is assumed to be generating inspection reports, but the Alliance has not indicated when public reports will be issued or in what form. The Alliance has senior staff in place, but its CEO resigned in February and a replacement has not been announced. The Alliance is led in Bangladesh by Rabin Mesbah, a factory manager. Limited provisions have been made for local staff, but most local Alliance staff functions have been outsourced to Elevate, a consulting firm led by the former head of compliance at Sears. (23)</p>

**Table 2. UW royalties from brands sourcing in Bangladesh**

Licensee	2012-13 UW Royalties	Bangladesh Factories
Antigua Group	\$28,120	Panorama Apparels
Box Seat Clothing Company	\$626	claim no longer there/DK Knitwear
Captivating Headgear (Top of the Wor	\$17,126	Dada (Dhaka) Ltd.
College Vault by adidas	\$26,652	Actor Sporting Ltd., Dada (Dhaka) Ltd.
College Vault by Twins Enterprises	\$36,406	Dada (Dhaka) Ltd.; Dada Savar Ltd.; Dhakaarea Ltd.
College Vault by Zephyr Graf-X	\$837	Han Apparel
Columbia Sportswear	\$54,024	claim no longer there/GH Hawewae Co.; LCB International; Moontex; Sejong Embroidery
Cutter & Buck	\$7,361	Golden Refit Garments; Grameen Knitwear; JM Fabrics; Oli Knitting Fabrics
E5	\$29,568	claim no longer there/Sepal Garments
Glitter Gear LLC	\$1,710	Cute Dress Industry; Libas Textiles Ltd.
Hello Kitty by Top Line Scrn Printing &	\$1,523	Asrotex Ltd.
Imperial div of Paramount Apparel Int	\$96	Hana Hats & Caps Ltd.
Knights Apparel	\$295,761	One Composite Mills Ltd.; Total Fashions Ltd.
Legacy Athletic	\$8,231	claim no longer there/DN Sports Ltd.; Dream Top BD Ltd.; Paxko Ltd./Dada Corp.
MJ Softe LLC	\$46,591	claim no longer there/Hemple Rhee Mfg. Co. (BD) Ltd.
New Agenda	\$20,240	Reedesha Knitex Ltd.
OC Sports (Outdoor Cap)	\$0	Actor Sporting Ltd.; Young An Hat (BD) Ltd.
Outdoor Cap Company Inc.	\$44,109	Actor Sporting Ltd.; Young An Hat (BD) Ltd.
Outerstuff Ltd.	\$123,312	Uni Gears Ltd.
Rawlings Sporting Goods	\$11,883	HKD International
Russell Brands LLC	\$34,413	BP Wears
adidas	\$383,176	Actor Sporting Ltd.; Dada (Dhaka)
Top Line Screen Printing & Embroider	\$2,580	Asrotex Ltd.
Top of the World	\$73,263	Dada (Dhaka) Ltd.
Twins Enterprise	\$72,844	claim no longer there/Dada (Dhaka) Ltd.; Dada Savar Ltd.; Dhakarea Ltd.
VF Imagewear (Section 101 by Majest	\$5,070	Optimum Fashions Wear Ltd.
Zephyr Graf-X	\$14,489	Han Apparel
Total	\$1,340,011	\$3,850,776 overall royalties
		Accord signatory
		Alliance signatory

\*We are still awaiting verification of the claims made by brands that they are no longer sourcing from Bangladesh. In a 2/26/14 communication, the WRC has notified the Committee that they have information to confirm that a number of these licensees still had production in Bangladesh in 2013. The brands for which the WRC does not have contradictory information are Legacy and Twins Enterprise.

4.1 Costs of Accord vs. Alliance

Both the Accord and the Alliance require signatories to contribute to each respective agreement. Both agreements base fees on the annual dollar volume of exports from Bangladesh.

**Table 3. Accord Funding Structure**

Tier	Yearly Volume (in USD)	Yearly Fee (in USD)
7	More than 500 million	500,000
6	Between 250 to 500 million	375,000
5	Between 100 to 250 million	175,000



4	Between 50 to 100 million	75,000
3	Between 25 to 50 million	37,500
2	Between 10 to 25 million	17,500
1	Between 1 to 10 million	10,000
0	Less than 1 million	1,000

**Table 4. Alliance Funding Structure**

Tier	Dollar Value of FOB Exports (in prior calendar year)	Contribution Per Year*	Total Individual Contribution**
1	More than \$250 million	\$1,000,000	\$5,000,000
2	Between \$100 and \$250 million	\$675,000	\$3,375,000
3	Between \$50 and \$100 million	\$375,000	\$1,875,000
4	Between \$25 and \$50 million	\$187,500	\$937,500
5	Less than \$25 million	\$62,500	\$312,500

Note: The amount for Tier 5 is a maximum. Low volume buyers may elect instead to pay a fee based on a percent of the value of their exports from Bangladesh during the prior year.

\*Contributions are front-loaded for Tier One participants only, with two years of contributions paid in the first year (these contributions will be deemed to be the first and last year contributions). Annual contributions are due within thirty (30) days of a Member’s joining the Alliance, and on the anniversary of each such contribution thereafter. Contributions are deemed delinquent thirty (30) days after their due date.

\*\*After membership for 5 years.

**Table 5. Side by Side Cost Comparison of Accord and Alliance**

Member Contributions

Annual FOB US\$ Volume	Accord	Alliance	Additional Cost Alliance/yr
>500,000,000	500,000	1,000,000	500,000
250,000,000-500,000,000	375,000	1,000,000	625,000
100,000,000-250,000,000	175,000	675,000	500,000
50,000,000-100,000,000	75,000	375,000	300,000
25,000,000-50,000,000	37,500	187,500	150,000
10,000,000-25,000,000	17,500	62,500	45,000
1,000,000-10,000,000	10,000	62,500	52,500
<1,000,000	1,000	62,500	61,500

note: Alliance members under 25,000,000 may elect to pay a fee based on percent value of exports from Bangladesh during prior year

The membership fees of the Accord are cheaper than the Alliance at all levels of operation, but this must be balanced against the Accord's requirement that signatories finance any and all building safety remediation.

#### 4.2 Qualitative impressions based on availability of information

The LCLCC committee was startled by the enthusiasm of both Knights Apparel and Top of the World for the Accord in our November 1, 2013 meeting. Representatives from both companies spoke enthusiastically about the Accord and how they expected it to make a difference. The committee was also struck by VF's presentation and response to questions about their support for the Alliance. They were unable to articulate why they developed and supported the Alliance; when asked, they responded that it was because the Accord was "European" and the Alliance was "American." We followed up with representatives of Knights Apparel and Top of the World, much smaller companies, asking them if they saw any legal problems due to the European origins of the Accord as compared to the Alliance; they indicated they saw no such problems.

#### 4.3 Gaps in our knowledge and issues the Committee will be paying attention to on an ongoing basis.

The Committee will continue to monitor the effectiveness of the Accord and Alliance in their ability to provide adequate fire and building safety measures in their factories in Bangladesh. This includes the availability of funds made available to factory owners to pay for repairs, the right for workers to refuse dangerous work, and the practice of all other obligations within each program.

### 5. Recommendation

After conducting a thorough review of both initiatives, the Committee met with the Chancellor March 10, 2014, presented her with a draft of this report and recommended to the Chancellor that our licensees who produce or source licensed apparel in Bangladesh sign on to and remain a party to the Accord. The Chancellor announced that the UW-Madison will require licensees to sign the Accord on March 14, 2014.

The committee will continue to monitor the progress of each program as they are currently being implemented.

**Footnotes for Table 1**

<sup>1</sup> Signatories to the Accord on Fire and Building Safety in Bangladesh. Available at <http://www.bangladeshaccord.org/signatories/>.

<sup>2</sup> Members of the Alliance for Bangladesh Worker Safety. Available at <http://bangladeshworkersafety.org/en/about/members>.

<sup>3</sup> The Accord on Fire and Building Safety in Bangladesh, May 13, 2013. Available at [http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the\\_accord.pdf](http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the_accord.pdf).

<sup>4</sup> Members Agreement. Available at <http://bangladeshworkersafety.org/files/Alliance-Member-Agreement-FINAL.pdf>.

<sup>5</sup> The Accord on Fire and Building Safety in Bangladesh, May 13, 2013. Available at [http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the\\_accord.pdf](http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the_accord.pdf). Additional information provided by the Worker Rights Consortium.

<sup>6</sup> Members Agreement. Available at <http://bangladeshworkersafety.org/files/Alliance-Member-Agreement-FINAL.pdf>.

<sup>7</sup> The Accord on Fire and Building Safety in Bangladesh, May 13, 2013. Available at [http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the\\_accord.pdf](http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the_accord.pdf). Bangladesh Accord Implementation Team Report, July 8, 2013. Available at <http://www.bangladeshaccord.org/2013/07/implementation-team-report/>.

<sup>8</sup> Members Agreement. Available at <http://bangladeshworkersafety.org/files/Alliance-Member-Agreement-FINAL.pdf>.

<sup>9</sup> The Accord on Fire and Building Safety in Bangladesh, May 13, 2013. Available at [http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the\\_accord.pdf](http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the_accord.pdf).

<sup>10</sup> Members Agreement. Available at <http://bangladeshworkersafety.org/files/Alliance-Member-Agreement-FINAL.pdf>.

<sup>11</sup> The Accord on Fire and Building Safety in Bangladesh, May 13, 2013. Available at [http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the\\_accord.pdf](http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the_accord.pdf).

<sup>12</sup> Members Agreement. Available at <http://bangladeshworkersafety.org/files/Alliance-Member-Agreement-FINAL.pdf>.

<sup>13</sup> FAQ of Accord on Fire and Building Safety in Bangladesh. Available at <http://www.bangladeshaccord.org/faqs/>

- <sup>14</sup> Members Agreement page 18. Available at <http://bangladeshworkersafety.org/files/Alliance-Member-Agreement-FINAL.pdf>.
- <sup>15</sup> The Accord on Fire and Building Safety in Bangladesh, May 13, 2013. Available at [http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the\\_accord.pdf](http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the_accord.pdf).
- <sup>16</sup> Members Agreement. Available at <http://bangladeshworkersafety.org/files/Alliance-Member-Agreement-FINAL.pdf>.
- <sup>17</sup> Complete list of Accord signatories on February 2, 14. Available at <http://www.bangladeshaccord.org/wp-content/uploads/accord-public-disclosure-report-2-feb-2014.pdf>
- <sup>18</sup> Complete list of Alliance signatories on February 15, 2014. Available at <http://www.bangladeshworkersafety.org/files/Alliance%20Factory%20Profile%20February%202015,%202014.pdf>
- <sup>19</sup> The Accord on Fire and Building Safety in Bangladesh, May 13, 2013. Available at [http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the\\_accord.pdf](http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the_accord.pdf)
- <sup>20</sup> Ibid.
- <sup>21</sup> The Alliance on Bangladesh Worker Safety About Page. Available at <http://www.bangladeshworkersafety.org/about>
- <sup>22</sup> Information provided by the Worker Rights Consortium in its capacity as an Observer on the Accord Steering Committee; a public Accord announcement of this information is pending.
- <sup>23</sup> Alliance website, Alliance six-month report, Alliance press releases.

6. Appendices

**Letter from Chancellor Blank Announcing Accord Policy**



March 14, 2014

Liz Kennedy, CLC Vice President of Corporate Responsibility  
Katie Koziol, CLC Partner Services Representative

Ms. Kennedy and Ms. Koziol,

The University of Wisconsin-Madison has been closely watching the situation regarding worker safety in Bangladesh. As a national leader in promoting better working conditions for those who make our licensed collegiate merchandise, we believe that our licensees sourcing in Bangladesh have an obligation to help improve the safety standards for workers there.

I am therefore requesting the Collegiate Licensing Company (CLC) to inform our licensees that the University of Wisconsin will require its apparel licensees that sourced, produced or purchased in Bangladesh as of January 1, 2013 to sign onto and comply with the Accord on Fire and Building Safety in Bangladesh.

Cindy Van Matre, our trademark licensing director, will be in contact with you to work on informing our licensees of this decision.

Sincerely,

Rebecca M. Blank  
Chancellor

Cc: Cindy Van Matre, Trademark Licensing Director  
Everett Mitchell, Community Relations Director  
Labor Codes Licensing Compliance Committee

Office of the Chancellor

Bascom Hall University of Wisconsin-Madison 500 Lincoln Drive Madison, Wisconsin 53706  
608-262-9946 Fax: 608-262-8333 TTY 608-263-2473

**Letter from UW-Madison to Licensees Announcing Accord Policy**

March 14, 2014

TO: All University of Wisconsin Apparel Licensees.

SUBJECT: Accord on Fire and Building Safety in Bangladesh.

The University of Wisconsin-Madison has been closely watching the progress that is being made by the Accord on Fire and Building Safety in Bangladesh. As a national leader in promoting better working conditions for those who make our licensed collegiate merchandise, the University of Wisconsin firmly believes that its licensees sourcing in Bangladesh have an obligation to improve the safety standards for workers there.

Recognizing the terrible loss of life among Bangladesh apparel workers over the last year and a half and the ongoing concerns related to the safety of workers in that country, the University of Wisconsin-Madison has decided that it will as a term and condition of its licensing agreements *require all apparel licensees that source, produce or purchase in Bangladesh to sign and comply with the Accord on Fire and Building Safety in Bangladesh for the production of University of Wisconsin-Madison products in that country.*

Having communicated previously with those licensees who source products in Bangladesh about programs such as the Accord, we are convinced that collegiate suppliers can work with the Accord to achieve improvements in worker safety in that country.

All companies that disclosed sourcing, producing or purchasing any apparel from Bangladesh as of January 1, 2013 under a University of Wisconsin-Madison license are required to sign onto the Accord no later than July 30, 2014. Failure to do so will result in the University taking appropriate action upon renewal of the contract.

As a reminder, under the terms of your license agreement, University of Wisconsin-Madison requires that all disclosure data on sourcing be updated in the Collegiate Licensing Company (CLC) database.

Office of Trademark Licensing

Page No. 2

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Please contact [brands@bangladeshaccord.com](mailto:brands@bangladeshaccord.com) to become a signatory to the Accord. I hope that you will comply with the University of Wisconsin's request to sign the Accord on Fire and Building Safety in Bangladesh to ensure safer conditions.

You may contact me at [cvm@athletics.wisc.edu](mailto:cvm@athletics.wisc.edu) or 608-262-0195 if you have any questions or desire additional information.

Sincerely,



Cindy Van Matre  
Trademark Licensing Director

Cc: Chancellor Rebecca Blank  
Everett Mitchell  
Labor Codes Licensing Compliance Committee

**Letter from AFL-CIO to Chancellor Blank**

**American Federation of Labor and Congress of Industrial Organizations**



815 Sixteenth Street, N.W.  
Washington, D.C. 20006  
(202) 637-5000  
www.aflcio.org

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James Grogan

March 14, 2014

Rebecca M. Blank, Chancellor  
University of Wisconsin-Madison  
161 Bascom Hall  
500 Lincoln Drive  
Madison, WI 53706

E-mail: [chancellor@news.wisc.edu](mailto:chancellor@news.wisc.edu)

Dear Chancellor Blank:

I am writing to encourage you to join other universities in the United States and require your licensees to sign on to the Bangladesh Accord for Fire and Building Safety. The AFL-CIO recently learned that a webinar offered by the Alliance for Bangladesh Worker Safety portrayed the AFL-CIO as committing to assist the Alliance in developing its worker participation schemes. This assertion was made by an administrator at the University of Wisconsin who sits on the university's Labor Codes and Licensing Compliance Committee. Unfortunately, the webinar misstated the AFL-CIO's publicly expressed position that international buyers who want to improve working conditions and respect for labor rights when sourcing from the Bangladesh ready-made garment industry should sign on to the Bangladesh Accord for Fire and Building Safety rather than the Alliance.

In Bangladesh, the AFL-CIO and Solidarity Center are supporting workers' efforts to organize and register independent unions in order to promote freedom of association and the right to collectively bargain. The Solidarity Center is providing technical assistance that enables workplace leaders and their co-workers to perform day-to-day union activities to improve workplace safety, defend human rights at work, and end wage theft. Through their unions, workers can then negotiate living wages above the poverty-level wages that local garment producers and the major brands and retailers that buy from them have long paid in Bangladesh.

The AFL-CIO and the Solidarity Center dedicate our time and resources to building authentic workplace unions, which are the only sustainable long-term solution to widely recognized problems in workplace safety and human rights at work. The AFL-CIO and the Solidarity Center have long recognized that so-called worker participation committees in Bangladesh and in other countries have not been an effective mechanism to represent worker interests because they are easily controlled by management. In addition, in Bangladesh worker



Rebecca Blank  
March 14, 2014  
Page Two

representatives on these committees are not protected from employer threats or abuse under the country's labor law.

Both employers and the government of Bangladesh have a role to play, but workers and unions in Bangladesh and their global allies, like those that negotiated the Bangladesh Accord for Fire and Building Safety, also have a clear role. As unions, we focus on worker-centered approaches to severe, widespread and persistent failures in this especially problematic supply chain. The Bangladesh Accord for Fire and Building Safety allows independent unions to be a part of the inspection process where plant-level unions have not yet been formed. Thus far, the Alliance has only made a pledge to educate workers about their right to associate. The AFL-CIO believes the Alliance must go beyond that pledge by actively defending that right when its suppliers seek to destroy nascent unions in their workplaces.

Should you have any further question about our policy regarding Bangladesh and programs with the country's workers, do not hesitate to contact me. We hope that you will join universities from across the country and require your licensees to support the Accord.

Sincerely,



Cathy Feingold  
Director, International Department

## Letter from Temple University to Licensees



Office of AVP for Business Services  
1700 North Broad Street  
Suite 415  
Philadelphia, PA 19121

phone 215-204-5144  
fax 215-204-7193  
web www.temple.edu

December 12, 2013

To: Temple University Apparel Licensees

Recognizing the terrible loss of life among Bangladeshi apparel workers over the last year and ongoing threats to the safety of workers in that country, including workers producing Temple apparel, Temple University has decided that it will be expanding its licensing policy to require all licensees to sign and comply with the Accord on Fire and Building Safety in Bangladesh for the production of Temple-logo products in that country. The policy is effective as of January 15, 2014 and applies to all licensees that have sourced and produced Temple apparel in Bangladesh as of January 1, 2013, or do so or at any point thereafter. Complying with this requirement is a condition of retaining a Temple license.

The Accord is a legally binding contract between company signatories and worker representatives, including international and Bangladesh labor unions, in which signatory companies agree to do the following:

- Provide a list of all supplier factories in Bangladesh to the Accord governing body, along with relevant information about each factory, including number of stories, number of workers, etc. This information will be published on the Accord website along with the list of all other factories sourcing to Accord buyers. The data is published in the aggregate; the website does not indicate which buyers are sourcing from which factories.
- Require supplier factories to undergo independent fire, building and electrical safety inspections by qualified experts, the results of which will be made public.
- Ensure that supplier factories undergo all necessary renovations and repairs pursuant to the inspection findings and provide financial assistance to all factories that need it. If a factory requires such assistance, these costs will be shared by all Accord buyers sourcing from the facility in proportion to sourcing volume.
- Maintain at least the current volume of orders at all safe factories for a minimum of two years.
- End the business relationship with any factory that refuses to undertake the necessary renovations and operate safely.
- Ensure that supplier factories have a functioning, democratically-elected Occupational Health and Safety Committee in accordance with Bangladesh law and respect workers' right to refuse dangerous work.
- Pay an annual administrative fee to the Accord based on production volume in Bangladesh. Although the Accord has not yet released a schedule of fees, we understand that for companies sourcing less than \$1 million annually from Bangladesh, the fee will be \$1,000.

Additional information about the Accord, including a list of current signatories and answers to several frequently asked questions, can be found on the Accord website, [www.bangladeshaccord.org](http://www.bangladeshaccord.org). You may also wish to review a Powerpoint presentation, prepared by the Worker Rights Consortium for its affiliate universities, regarding the garment industry in Bangladesh and the Accord. Those slides are available at <http://www.workersrights.org/university/memo/110113.html>.

In order to become a signatory to the Accord, please contact Jyrki Raina, General Secretary of IndustriALLGlobal Union, at [JRaina@industriALL-Union.org](mailto:JRaina@industriALL-Union.org) or Melanie Steiner, Senior Vice President and Chief Risk Officer at PVH Corp., at [melanesteiner@pvh.com](mailto:melanesteiner@pvh.com). We hope that you will comply with Temple University's request to sign the Accord on Fire and Building Safety in Bangladesh to help ensure safer conditions.

Sincerely,

Richard Rumer

**Letter from Penn State University President to Licensees**

PENNSTATE



Office of the President  
The Pennsylvania State University  
201 Old Main  
University Park, PA 16802-1589  
814-865-7611  
Fax: 814-863-8583

January 30, 2014

Penn State Apparel Licensees  
RE: Sourcing in Bangladesh

Dear Licensee:

The Pennsylvania State University has been closely following the safety hazards affecting the lives of apparel workers in Bangladesh over the last year or more. We have been working with our labor rights affiliates to understand how Penn State can have an impact on the improvement of these conditions in a country that represents such a large percentage of the world's apparel manufacturing.

Having communicated previously with those licensees who source products in Bangladesh about programs such as the Accord on Fire and Building Safety in Bangladesh, we are convinced that collegiate suppliers can achieve improvements in worker safety in that country.

The Accord is a legally binding contract between company signatories and worker representatives, including international and Bangladesh labor unions. Additional information on the Accord, including a list of current signatories and answers to frequently asked questions can be found on the Accord website, [www.bangladeshaccord.org](http://www.bangladeshaccord.org). The Worker Rights Consortium has also prepared a presentation on the topic which can be found at <http://www.workersrights.org/university/memo/110113.html>.

As a reminder, under the terms of your license agreement, Penn State requires that all disclosure data on sourcing be updated in the Collegiate Licensing Company (CLC) database. As part of the renewal process, Penn State will be monitoring the disclosure data closely to ensure accuracy and timeliness of this information.

All companies that source apparel in Bangladesh under a Penn State license are urged to sign the Accord no later than March 31, 2014; upon review, failure to do so will result in the termination or non-renewal of your license agreement in accordance with your contract.

Should you have any questions or desire additional information, please contact Maureen Riedel in the Office of Licensing Programs ([mee11@psu.edu](mailto:mee11@psu.edu)).

Sincerely,

Rodney A. Erickson

cc: Maureen Riedel

bc: S. Dunham  
J. Eck  
T. Poole  
D. Sieminski  
D. Sims

## Letter from Duke Licensing Director to Licensees

### **DUKE UNIVERSITY** **Office of Trademark Licensing**

Durham

North Carolina

27708-0850

JIM WILKERSON  
TELEPHONE (919) 684-2065

DIRECTOR OF TRADEMARK LICENSING  
E-MAIL: Jim.Wilkerson@duke.edu

125 Science Drive  
FAX: (919) 684-6411

BOX 90850

November 15, 2013

To: Duke University Apparel Licensees

Recognizing the terrible loss of life among Bangladeshi apparel workers over the last year and the grave ongoing threats to the safety of workers in that country, including workers producing Duke apparel, on October 16, 2013 Duke University announced that it would be expanding its licensing policy to require all licensees to sign and comply with the Accord on Fire and Building Safety in Bangladesh for the production of Duke-logo products in that country. The policy is effective as of January 15, 2014 and applies to all licensees that have sourced, produced or purchased Duke apparel in Bangladesh as of January 1, 2013, or do so or at any point thereafter. Complying with this requirement is a condition of retaining a Duke license.

The Accord is a legally binding contract between company signatories and worker representatives, including international and Bangladesh labor unions, in which signatory companies agree to do the following:

- Provide a list of all supplier factories in Bangladesh to the Accord governing body, along with relevant information about each factory, including number of stories, number of workers, etc. This information will be published on the Accord website along with the list

- of all other factories sourcing to Accord buyers. The data is published in the aggregate; the website does not indicate which buyers are sourcing from which factories.
- Require supplier factories to undergo independent fire, building and electrical safety inspections by qualified experts, the results of which will be made public.
  - Ensure that supplier factories undergo all necessary renovations and repairs pursuant to the inspection findings and provide financial assistance to all factories that need it. If a factory requires such assistance, these costs will be shared by all Accord buyers sourcing from the facility in proportion to sourcing volume.
  - Maintain at least the current volume of orders at all safe factories for a minimum of two years.
  - End the business relationship with any factory that refuses to undertake the necessary renovations and operate safely.
  - Ensure that supplier factories have a functioning, democratically-elected Occupational Health and Safety Committee in accordance with Bangladesh law and respect workers' right to refuse dangerous work.
  - Pay an annual administrative fee to the Accord based on production volume in Bangladesh. Although the Accord has not yet released a schedule of fees, we understand that for companies sourcing less than \$1 million annually from Bangladesh, the fee will be \$1,000.

Additional information about the Accord, including a list of current signatories and answers to several frequently asked questions, can be found on the Accord website, [www.bangladeshaccord.org](http://www.bangladeshaccord.org). You may also wish to review a Powerpoint presentation, prepared by the Worker Rights Consortium for its affiliate universities, regarding the garment industry in Bangladesh and the Accord. Those slides are available at <http://www.workersrights.org/university/memo/110113.html>.

In order to become a signatory to the Accord, please contact Jyrki Raina, General Secretary of IndustriALL Global Union, at [JRaina@industriALL-Union.org](mailto:JRaina@industriALL-Union.org) or Melanie Steiner, Senior Vice President and Chief Risk Officer at PVH Corp., at [melaniesteiner@pvh.com](mailto:melaniesteiner@pvh.com).

Sincerely,



Jim Wilkerson

**NYU Press Release**

<http://www.nyu.edu/about/news-publications/news/2013/12/06/nyu-university-senate-endorses-bangladesh-safe-workplace-agreement.html>

**University of Pennsylvania Press Release**

<http://www.upenn.edu/pennnews/news/penn-require-licensees-apparel-sign-safety-agreement>

**Georgetown University News**

<http://www.georgetown.edu/news/trademark-licensing-policy-bangladesh.html>

**Cornell University Press Release**

<http://mediarelations.cornell.edu/2014/02/12/cornell-joins-higher-ed-leaders-in-agreement-to-protect-bangladeshi-workers/>