

Zara's Unfinished Business:

Outstanding safety hazards at garment factories show that the Accord must be extended and expanded

July 12, 2021

Inditex—one of the world's largest fashion retailers and owner of eight brands including Zara—was an early signatory to the Accord on Fire and Building Safety in Bangladesh in May 2013, four months after eight workers died in a fire at its supplier Smart Export. As a member of the Accord's Steering Committee, Inditex knows first-hand how effective the Accord has been at making factories safer for more than two million garment workers. Unions and labor rights advocates have been proposing, for over a year, a binding successor agreement that will continue the Accord in Bangladesh and expand the model to other countries where garment workers' safety is routinely put at risk. Apparel brands and retailers, however, failed to sign a new binding agreement before the Accord's expiration at the end of May 2021, only agreeing to a three-month extension that will end on August 31. The information presented in this brief shows that it would be completely irresponsible for Inditex to walk away from the Accord.

It is well established that the Accord has been the most successful safety program in the contemporary history of apparel supply chains, overseeing vast numbers of safety renovations and drastically reducing risk of injury and death for millions of Bangladeshi garment workers. What is less well understood is that, despite this extraordinary progress, deadly safety risks remain in a substantial number of factories producing for Accord signatory brands. Based on a review of the Accord's publicly available factory-by-factory data on safety progress, this report enumerates uncorrected safety hazards at 54 factories producing for Inditex. The data show that Inditex is sourcing from dozens of factories that have failed to install fire alarms, sprinkler systems, and/or adequate emergency exits. Inditex is fully aware of the safety deficiencies at its factories in Bangladesh and receives regular reports on these from the Accord.

It is important to recognize that, if the Accord agreement is not extended and expanded:

The circumstances of factories with unresolved safety problems would get worse, not better. Absent the robust oversight of the Accord, factories and brands would no longer have the critical financial incentive that has proven necessary to motivate and allow factories to protect the progress that has been made and continue to improve factory safety. Moreover, factory safety is a continuous process that requires ongoing monitoring and maintenance; termination of the Accord would swiftly lead to backsliding at factories where progress has been completed.

Voluntary initiatives would replace the Accord's safety program, leaving companies unaccountable. The Accord worked, where a hundred voluntary programs that preceded it failed, because the brands' commitments under the program are legally binding; because truly independent inspectors run the program; and because the Accord has the power to force brands to pay for safety renovations and to pull business from factories that refuse to carry them out. The inevitable result of any non-binding replacement would be more injuries and deaths in garment factories.

The failure of brands to extend and expand the Accord would prevent progress in other garment-producing countries. Recent mass fatality disasters at garment factories in countries like Morocco and Egypt demonstrate that workers around the world continue to face life-threatening safety risks. Advocates in garment-producing countries like Pakistan have long called for the Accord to be expanded to cover factories producing for brands in countries beyond Bangladesh.

Inditex told the Clean Clothes Campaign last month that it “strongly support[s] establishing a new agreement with clear accountability on all parties, which is enforceable for individual brands, and has independent oversight.” Whether Inditex will follow through on these commitments remains to be seen. Equally important, the company has made no commitment to expand the Accord to other countries it sources from, where workers face significant safety risks.

Sources of the Data in This Report

To identify the factories, the Accord witness signatories cross-referenced Inditex's suppliers in Bangladesh listed in Open Apparel Registry against factories publicly listed by the Accord as under its purview. Since Inditex does not disclose its full supplier list, we do not know the portion that the 54 factories identified represent of Inditex's Bangladesh supplier base.

The safety data in this report are drawn directly from the Accord's publicly available database of initial hazards identified at each Accord-covered factory and the status of remedial measures required for each hazard. For the purposes of this report, unless a remedial measure has been publicly verified by the Accord engineers as corrected, it is considered to be incomplete. This is because, although some safety renovations may appear to be “pending verification” on a factory's publicly disclosed corrective action plan, until the Accord engineers have verified them as complete, the remediation status is based only on non-independent self-reporting by the factories themselves and may not be sufficient for meeting the Accord's requirements. The Accord engineers' follow-up inspections have shown that, on average, 23 percent of issues reported by all factories as remediated were inadequately corrected.

This report is an annex to a more extensive report on remaining safety hazards in the Bangladesh supply chains of 12 other brands. The previous report, Unfinished Business: Outstanding safety hazards at garment factories show that the Accord must be extended and expanded (April 2021), is available at <https://cleanclothes.org/unfinished-business/view>. This report on Inditex includes sections and adaptations from the original Unfinished Business report.

Inditex

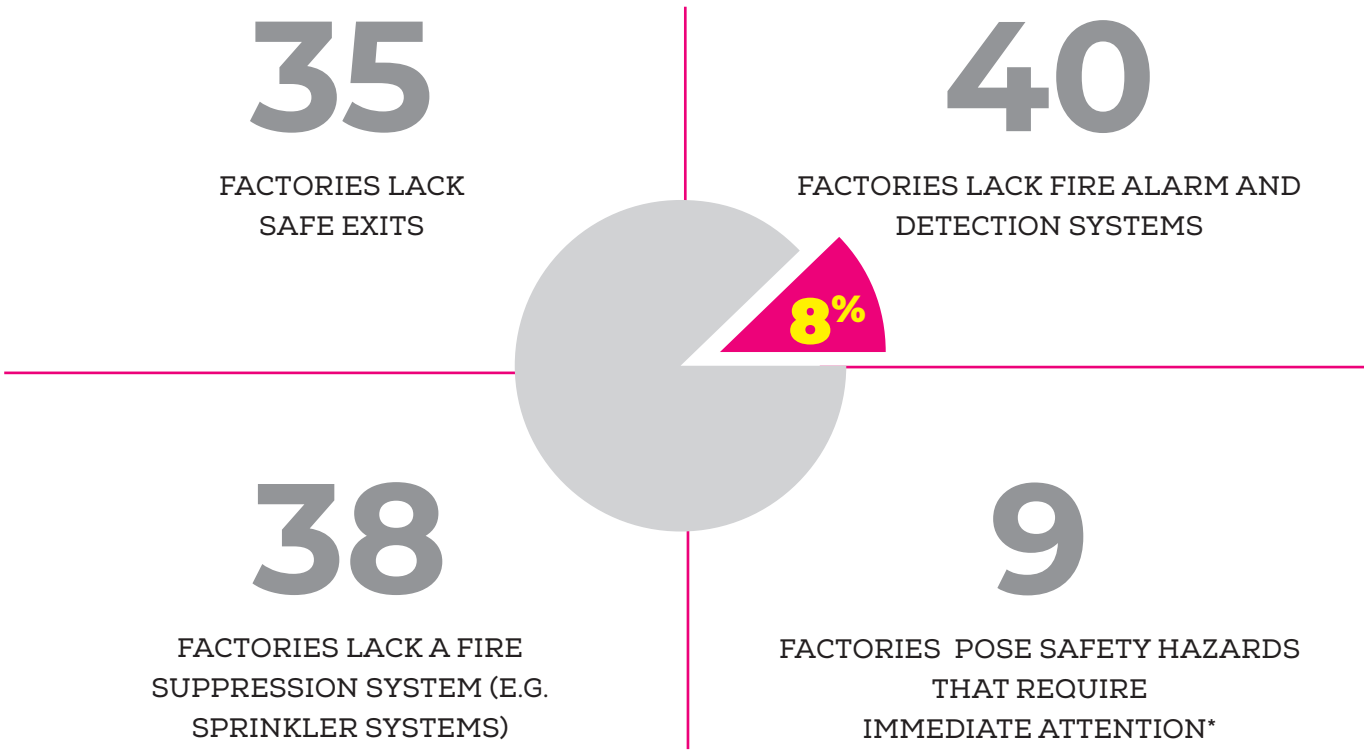
(Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home, Uterqüe)

INDITEX

92%

OF SAFETY RENOVATIONS REQUIRED BY THE
ACCORD'S ENGINEERS AT FACTORIES PRODUCING
FOR INDITEX HAVE BEEN COMPLETED

HOWEVER, OF THE REMAINING **8% OF SAFETY HAZARDS**,
THE FOLLOWING WORK REMAINS:



*Safety hazards that the Accord engineers have identified to be high risk and easily correctible include, for example, boxes and/or material blocking the exit ways and locks on exit doors.

