

Tchibo Statement on Bangladesh Accord & RSC, 12 May 2021

We are sad to hear that the negotiations have failed. In numerous conversations including at the Brand Caucus and the Cluster Call, we spoke out to support the unions' conditions because we share the understanding that these are needed for a successful and impactful extension and expansion. Today, we were in the process of sending you all this in writing.

With today's developments, we would like to let you know that we agree to sign a 1-year extension agreement to the current Transition Accord which reconfirms current commitments under the Accord and to the RSC and adds an element of expansion to other countries. We also welcome if the Secretariat starts the preparation for other countries as otherwise highly qualified expertise is not used.

In a journey towards human rights and more sustainability globally, and Bangladesh specifically, we have collectively put in decades of hard work to move the needle. Before Rana Plaza happened and before the Bangladesh Accord took shape, many of us practitioners were at the brink of frustration on how little was moving. Both on the civil society as well as on the business side.

Let's face it: one of the most crucial root causes was the globalization of business operations that rendered the face of the garment industry invisible and anonymous to consumers and companies. Another root cause was that contrary to business taking place within a region or a nation-state, no regulation or framework ensured that companies had to be accountable for their entire business operations, including their supply chain.

Over the years, there have been companies who have had a growing intrinsic motivation in changing situations in production countries. Yet, the complex root causes pose barriers to success.

The horrible incident of Rana Plaza - and let us not call it an accident, because the situation was building up - put a human face, albeit full of suffering, onto the garment industry and took away the anonymity of supply chains for the whole world. The Bangladesh Accord was a unique response because it created a binding framework for the business parties for the first time at a global level, jointly locking us into a collective path and taking worker safety out of competition. The Accord demonstrated that it was possible to collaborate at the level of employer and employee representatives and brands and retailers. It was - for the first time - truly inclusive to the legitimate representatives of workers creating the much-needed balance of power.

The downside, we agree, was that we did not manage to include the local industry representatives, although there were many attempts, as this would have been helpful. We therefore welcomed the RSC foundation. Still, for the RSC to be functional in the future, brands still need to comply with the Accord standard, provisions and protocols which they will not if only self-regulated.

We are writing this letter to you in favor of today's union proposal as a reminder that the design of the Agreement has repercussions beyond the question of the Accord and Bangladesh. It represents our global commitment as a business community to the global garment industry. The upcoming decisions will be a testimony to whether we as businesses are willing to continue our inclusive path. Inclusiveness must include the legitimate representatives of workers and reflect their wishes in a balance of interests. It will also demonstrate whether we as businesses are willing to walk our talk and voluntarily curtail our power to collaborate under legally binding principles to benefit the people in our supply chains. There has been so much industry pushback at national levels in Europe concerning due diligence regulation, under the premise that businesses could move the needle through voluntary initiatives. The decisions we take now related to the Accord is the test, whether this premise is true. Bangladesh is also only one country in the equation. We need to tackle more in terms of Safety (which would give Bangladesh an equal level playing field).

If we can make a difference or support an inclusive process at any point, we will be most happy to do so.

This statement can be used publicly as we will also go public during the next days.

With best regards

Nanda Bergstein, Director Corporate Responsibility
& Julia Thimm, Head of Human Rights