

INTERNATIONAL ACCORD FOR HEALTH AND SAFETY IN THE TEXTILE AND GARMENT INDUSTRY

1 September 2021

I. PREAMBLE

The signatory parties to this “International Accord for Health and Safety in the Textile and Garment Industry” (“the Agreement”) commit to the health and safety work already undertaken in Bangladesh and to the expansion of additional country-specific health and safety programs (“Country-Specific Safety Programs”, “CSSPs”) based on the principles of the 2013 and 2018 Accord on Fire and Building Safety in Bangladesh (the “Accord”). The Agreement will be implemented through the Accord Foundation (the “Foundation”)¹ and its secretariat (the “Secretariat”).

The signatories welcome a strong role for the International Labor Organization (the “ILO”), through its country offices, including worker protection efforts, as well as through international programs, to ensure that the programs foreseen by the signatories of the Agreement are implemented and effective.

The signatories to the Agreement recognize that safe workplaces cannot be assured in the long term without the active participation of the people who work in them. For this reason, signatories will continue to promote respect for the right of workers to freedom of association in accordance with relevant ILO Conventions.

II. GOVERNANCE

1. The responsibilities of the signatories to this agreement shall be monitored and enforced by a Steering Committee (the “SC”), which shall have equal representation chosen by the trade union signatories and the brand signatories (with a maximum 3 seats each) to this agreement and a representative chosen by the ILO acting as a neutral chair. The Witness Signatories shall continue to participate as observers.
2. The SC shall be entrusted with the overall management of this Agreement, and shall have responsibility for the selection, contracting, compensation and review of the performance of senior staff; oversight and approval of the Secretariat’s budget; oversight of financial reporting and hiring of financial auditors and controllers and such other management duties as may be required. The SC will strive to reach decision by consensus.
3. The governance structures, regulations and policies developed under the Accord shall continue to apply unless revised by the SC or as otherwise specified in this Agreement. These are consolidated as a set of documents which are available on the signatory pages of this Foundation’s website.

¹ At the date of this Agreement the name of the Foundation is “Stichting Bangladesh Accord Foundation for Fire and Building Safety”.

4. The Signatories hereby authorize the Secretariat:
 - a) to monitor signatory compliance with this agreement,
 - b) to take steps necessary to ensure worker safety,
 - c) to provide accurate reporting to the SC for the purpose of implementing signatory obligations under this Agreement, and
 - d) to support the signatory brands and trade unions in their representative roles.
5. The Secretariat shall report to the SC on the implementation of this Agreement and the signatories' obligations on a quarterly basis.

III. BANGLADESH

6. The signatories to this agreement agree to continue the health and safety program in Bangladesh through the RMG Sustainability Council ("RSC"). The signatories recognize the independence of the RSC and share a common vision for the growth of the RSC to becoming a sector-wide program in Bangladesh.
7. Since 1 June 2020 the inspections and remediation program, safety committee and safety training program, safety complaints mechanism and reporting and disclosure requirements of the Accord have been implemented in Bangladesh through the RSC in which the union and brand signatories to this Agreement each hold one third of the Board of Directors alongside Bangladesh industry representatives. Decisions of the RSC Board are taken by mutual consent of all parties.
8. The work of the RSC, as stipulated in the Transition Agreement and Article 24 of the Articles of Association, builds on the operations and protocols of the 2013 and 2018 Accord on Fire and Building Safety in Bangladesh, including inheritance of the Accord's Bangladesh based assets and human resources, protocols, procedures, and standards, as agreed between the 2018 Accord Steering Committee and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in the Transition Agreement.
9. Administration and management of the program will continue to build on the structures, policies and programs developed under the 2013 and 2018 Accord on Fire and Building Safety in Bangladesh and this Agreement, as well as of the RSC, where consistent with this Agreement. This Agreement shall be implemented in such a way as to not contravene Bangladesh law. The signatories to this Agreement commit to recognize and comply with any amendments and changes to the articles and rules of the RSC in Bangladesh.
10. Brand and trade union signatories shall nominate representatives to serve as members of the Board of Directors of the RSC. Brands and trade unions have each established associations which are the formal members of the RSC and through which the liability of representatives serving as directors of the RSC are limited.
11. Brand signatories to this agreement commit to join the Brands Association. The Brands Association, as set out by their membership rules, is only open for membership to brands who are signatories to this agreement for the duration of the Agreement.
12. All parties are committed to expanding the number of brands who are participating in the RSC to progress towards a sector-wide program in Bangladesh. To this end, the signatories commit to jointly working through their representatives within the RSC:

- a) to establish a credible and effective RSC compliance and accountability mechanism to monitor and hold accountable signatories to the agreements under the RSC.
 - b) to develop a sustainable funding model to secure a safe RMG industry in Bangladesh. Upon the effective date of this agreement, the SC shall establish a Working Group to explore other funding opportunities and how to increase the number of brand signatories.
 - c) to support a roadmap to identify and pursue additional incentives for expanding the coverage of the RSC.
13. Each signatory commits to mandate their respective representatives to act in accordance with this agreement.
 14. Nothing in this agreement shall limit the power of the SC to withdraw its support to the RSC. In this case the parties will renegotiate the application of this agreement in respect to Bangladesh.
 15. The Secretariat shall support, coordinate and liaise with the operations of the RSC in order to ensure that the obligations under this agreement are met.
 16. This agreement covers all RMG suppliers² producing in Bangladesh for the signatory companies. In the event that agents or other intermediaries are part of the signatory's business model, the signatory is responsible to assure that these intermediaries support the signatory's efforts to fulfill the obligations of this agreement, independent of whether the intermediaries have signed this agreement or not.

REMEDICATION

17. Where corrective actions are identified by the Chief Safety Officer of the RSC (the "CSO") as necessary to bring a factory into compliance with building, fire and electrical safety standards, the signatory company or companies that have designated that factory as their supplier shall require the factory to implement these corrective actions according to a defined schedule that is mandatory and time-bound, with sufficient time allotted for all major renovations. Where delays beyond the control of the factory occur, the CSO will revise the remediation timeline, provided that reasonable progress in remediation is being made.
18. Signatory companies shall require their supplier factories that are inspected under the RSC to maintain workers' employment relationship and regular income during any period that a factory (or portion of a factory) is closed for safety reasons or for renovations necessary to complete such Corrective Actions for a period of no longer than six months. Workers who choose not to maintain their employment with the factory will have their employment terminated and be paid severance in accordance with relevant national law. For factory closures in excess of six months, workers will be paid either full severance benefits or six months regular income, whichever is greater. Failure to do so may trigger a notice, warning and ultimately termination of the business relationship as described in Article 30.
19. Where a factory indicates that the Corrective Actions will not be implemented because the factory intends to move to new premises in order to comply with RSC requirements, the following conditions shall apply:

² Upon agreement by the SC the work of the Accord could possibly be expanded to other related industries beyond RMG on a voluntary basis.

- a) The factory shall provide documentation to the CSO and all related signatories of the planned move including the date of completion and new location of the factory.
 - b) The CSO shall determine which immediate corrective actions must be completed in the existing premises in order for work to be safely continued prior to the relocation as well as the timeframe for their completion.
 - c) Workers will be given the option to move to the new premises, retaining all current employment benefits with recognition of length of service. Should a worker be unwilling or unable to continue employment at the new premises due to an unreasonable increase in travel time, the employer will terminate the worker's employment and the worker will receive full severance benefits.
20. In the above-mentioned cases of relocation, Article 31 provisions relating to remediation financing will apply. In cases where a factory is closed under Article 18, workers will receive full severance benefits.
 21. The payment of full severance benefits under Articles 18, 19 and 20 are in accordance with the provisions of Bangladesh law that apply to workers who have had their employment terminated by their employer otherwise than by dismissal.
 22. Signatory companies shall make reasonable efforts to ensure that any workers whose employment is terminated as a result of a factory termination, closure or relocating triggered by RSC activities, are offered employment with safe suppliers.
 23. Signatory companies shall require their supplier factories to respect the right of a worker to refuse work that he or she has reasonable justification to believe is unsafe, without suffering discrimination or loss of pay, including the right to refuse to enter or to remain inside a building that he or she has reasonable justification to believe is unsafe for occupation. As soon as possible thereafter, the case shall be reported to the RSC.

TRAINING

24. Building on the program developed under the preceding Accord the extensive fire and building safety program shall be revised and further implemented by the RSC. The training program shall be delivered by skilled personnel, for workers, managers and security staff to be delivered by the involvement of trade unions and specialized local experts. These training programs shall cover basic safety procedures and precautions, as well as enable workers to voice concerns and actively participate in activities to ensure their own safety.
25. Signatory companies shall require their suppliers to provide access to their factories to training teams designated by the training coordinator, in accordance with the training plan approved by the RSC Board, that include safety training experts, as well as RSC certified trade union trainers. Such training shall cover the importance of Freedom of Association and the role of industrial relations in ensuring the functionality and empowerment of effective Health and Safety Committees and protecting workers' health and safety.
26. Health and Safety Committees shall be required by the signatory companies in all Bangladesh factories that supply them, which shall function in accordance with Bangladeshi law and with applicable ILO standards.

COMPLAINTS PROCESS

27. The worker complaint process and mechanism established under the preceding Accord will ensure that workers from factories supplying signatory companies can raise concerns about health and safety risks in a timely fashion, safely and confidentially. Signatories shall support the worker complaint process and ensure that it operates independently with no third party interference. Signatory companies shall require their suppliers to comply with the outcomes of the worker complaint process.

TRANSPARENCY AND REPORTING

28. The SC shall make publicly available and regularly update information on key aspects of the program. The Foundation's website shall publish these key aspects, and ensure alignment with the RSC website and RSC articles of transparency and reporting. These key aspects include:
 - a) A single aggregated list of all suppliers in Bangladesh (including sub-contractors) used by signatory companies, based on data which shall be provided to the RSC and to the Secretariat and regularly updated by each of the signatory companies. Information linking specific companies to specific factories will be kept confidential.
 - b) Written Inspection Reports, which shall be developed by the CSO for all factories inspected under the RSC, shall be disclosed to interested parties and the public.
 - c) Public statements by the CSO identifying any factory that is not acting expeditiously to implement remedial recommendations shall be issued as per an escalation procedure determined by the RSC.
 - d) Quarterly Aggregate Reports that summarize both aggregated industry compliance data as well as a detailed review of findings, remedial recommendations, and progress on remediation and training to date for all factories at which inspections and training have been completed.
29. The Secretariat will have access to all necessary data and information to carry out their responsibilities.

SUPPLIER INCENTIVE

30. Each signatory company shall require that its suppliers in Bangladesh participate fully in the inspection, remediation, health and safety and training activities of the RSC. If a supplier fails to do so, the signatory company will promptly implement the required notice and warning process and ultimately terminate the business relationship in accordance with the agreed Escalation Protocol. The Secretariat shall monitor and enforce adherence by the signatories to the Escalation Protocol as it applies to their suppliers in Bangladesh, in accordance with Chapter VI and Article 31.
31. In order to induce factories to comply with upgrade and remediation requirements of the CSO, signatory companies shall negotiate commercial terms with their suppliers which ensure that it is financially feasible for the factories to maintain safe workplaces and comply with upgrade and remediation requirements instituted by the CSO. Each signatory company may, at its option, use alternative means to ensure factories have the financial capacity to comply with remediation requirements, including but not limited to joint investments, providing loans, accessing donor or government support, through offering business incentives or through paying for renovations directly.

32. The Secretariat shall be informed and monitor compliance in the event that a signatory's supplier indicates that completion of the remediation is not financially feasible. The Secretariat shall refer any cases of unmet finance requests to the SC.
33. Signatory companies to this agreement are committed to maintaining a long-term sourcing relationship with Bangladesh, as is demonstrated by their commitment to the RSC and the terms of this agreement.

RELEASE OF RESPONSIBILITY

34. A signatory is no longer responsible under this agreement with respect to the covered factory in Bangladesh if any of the following conditions apply:
 - a) A covered factory has committed a "zero tolerance" violation of a signatory's policy. In such instance, upon providing sufficient evidence to the Steering Committee, the signatory can exit such factory in accordance with such signatory's policies, and is no longer responsible under this agreement with respect to such factory.
 - b) A signatory has not sourced from a covered factory for 18 months and commits to not source from such factory for an additional 24 months. Upon notice to the Accord, the signatory is no longer responsible under this agreement for such factory.
 - c) A covered factory is escalated out of the RSC as per the Escalation Protocol.

IV. EXPANSION OF THE PROGRAM

35. The signatories agree to the future expansion of health and safety programs and to the development of CSSPs to other countries selected based on feasibility.
36. Country selection and timelines for expansion are dependent upon the feasibility of establishing programs that meet the principles in Article 38 and take into account other core criteria jointly defined by the parties.
37. To that end, within six months of the effective date of this agreement signatories will jointly define the criteria for determining where and when expansion is appropriate and will agree on an initial lists of countries for consideration. Criteria will include, amongst others: the presence and volume of signatory brands in the country; the interest of brands, the extent to which existing mechanisms are able to regulate safety, the extent to which there are safety problems. A feasibility study will be carried out by the Secretariat.
38. CSSPs shall meet the following principles:
 - a) Programs are aligned with the principles, protocols, procedures, policies and programs developed under the Bangladesh Accord.
 - b) Programs include national constituents in their governance bodies, including industry, brands, trade unions and others upon agreement.
 - c) Programs use national government institutions and local expertise and, where applicable, the influence of the ILO - Better Work in order to build capacity and enhance a culture of health and safety in the country.

39. The aim is that within the course of this agreement there shall be at least one CSSP established.
40. The parties to the Agreement will explore the expansion of the scope to address human rights due diligence. The SC shall create a Working Group to explore this possibility, with the understanding that brand participation in any such expansion will not be required under this agreement.

V. FINANCIAL SUPPORT

41. Signatory companies shall assume responsibility for funding the activities of the program as set forth in this agreement. Each company contributing its equitable share of the funding in accordance with a formula to be established by the SC subject to a maximum contribution of US\$350,000 per year for each year of the term of this agreement.
42. A sliding scale of contributions based on factors such as revenues, number of factories and annual volume will be defined by the SC with annual revisions, while ensuring sufficient funding for the adequate implementation of the Agreement.
43. The SC shall be empowered to seek contributions from governmental and other donors to contribute to costs.
44. The SC shall ensure that there are credible, robust, and transparent procedures for the accounting and oversight of all contributed funds. The Foundation will verify this by the annual testimony of a chartered accountant.
45. For the first year of this agreement, the Foundation shall collect the funds necessary for the implementation of this agreement, including implementation costs for the parties. The Foundation will transfer the funds necessary to the RSC, as per the approved RSC budget.
46. For the second year of this agreement, the parties will review Article 45.
47. The establishment of new CSSPs may require additional funding which shall be subject to a decision by the SC.

VI. DISPUTE RESOLUTION

48. Any dispute between the parties to, and arising under, the terms of this agreement, shall be presented to and decided by the SC.
49. The SC shall adopt a Dispute Resolution Process (DRP) to specify the timelines and procedures involved when disputes are presented to the SC, with the aim to establish a fair and efficient process. The decision-making process of the SC shall be supported by a member of the Secretariat who will perform an initial investigation for the parties. Until such a DRP is adopted by the SC, the SC shall follow the timelines and procedures established under the 2013 Bangladesh Accord for resolving disputes.

50. Upon request of either party, the decision of the SC may be appealed to a final and binding arbitration process. 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 Arbitration Rules (as in its last revision) unless otherwise agreed by the parties to the dispute. The arbitration shall be seated in The Hague and administered by the Permanent Court of Arbitration.
51. The DRP will also incorporate the opportunity for parties to participate in a mediation process in order to make arbitration unnecessary where there is no resolution of the dispute by the SC.
52. The SC may, at any time, agree upon or designate by reference additional rules for arbitrations under this agreement as an alternative or complement to, or substitute for, the UNICTRAL Arbitration Rules in such arbitrations, such as the International Labor Arbitration and Conciliation Rules.

VII. TERMINATION OF THE AGREEMENT

53. Signatories that completely stop sourcing from Bangladesh or other CSSPs will no longer be held to the terms of this agreement in respect to the specific country where they are no longer sourcing.

VIII. DURATION OF THE AGREEMENT

54. This agreement shall expire on 31 October 2023.