

BANGLADESH AGREEMENT ON HEALTH AND SAFETY IN THE TEXTILE AND GARMENT INDUSTRY

Addendum to the International Accord

for Health and Safety in the Textile and Garment Industry

1 November 2023

I. PREAMBLE

The signatory parties to this *Country Specific Safety Program on Health and Safety in the Bangladesh Textile and Garment Industry* (“the Agreement”) commit to the principles enshrined in the 2023 International Accord for Health and Safety in the Textile and Garment Industry (“Accord”), and as stipulated in the 2013, 2018 and the 2021 Accord agreements on Fire and Building Safety in Bangladesh.

These principles have been adopted by the RMG Sustainability Council (“RSC”), an independent tripartite non-for-profit organization based in Bangladesh. The inspections and remediation program, safety committee and safety training program, safety complaints mechanism, and reporting and disclosure requirements of the Accord are implemented and carried forward in Bangladesh through the RSC. RSC covered factories are required to participate fully in the inspection, remediation, complaint process and occupational health and safety training activities. The RSC is independently operating under its *Memorandum and Articles of Association* on the basis of mutual consent of its three founding members, the unions, brands and industry represented in the RSC Board of Directors (“RSC Board”).

The undersigned parties stay committed to the goal of a safe and sustainable Bangladeshi Ready-Made Garment (“RMG”) and other related industries in which no worker needs to fear industrial accidents that could be prevented with reasonable health and safety measures. The parties share a common vision for the growth of the RSC to becoming a sector-wide program in Bangladesh, with the ultimate goal of transitioning to a regulatory body.

The undersigned parties therefore commit to the principles defined in the International Accord and reflected in the RSC to continue to be implemented in Bangladesh as a specific Country Specific Safety Program. Signatory companies shall assume co-responsibility, together with national industry, for adequately funding the activities of the program as set forth in this Agreement. The parties to this Agreement will strive for an adequate and increasing contribution of Industry and other third parties through respective Cooperation and Funding Agreements.

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 respect the fundamental principles and rights at work, in accordance with relevant ILO Conventions.

II. GOVERNANCE

1. The responsibilities of the signatories to this Agreement shall be monitored and enforced by the Steering Committee (the “SC”) of the International Accord in accordance with its principles, policies and protocols.

2. Brands and trade union signatories have each established associations to serve, jointly with industry, as members of the RSC being equally represented in the RSC Board through which the liability of the individual representatives is limited. The signatories mandate and authorize their respective associations to represent the interests of their constituents in the RSC Board.
3. For the union signatories, membership is represented through the *Unions Association for Textile & RMG Sustainability in Supply Chains* (“Unions Association”), whereas the brand signatory membership is represented through the *Brands Association for Textile & RMG Sustainability in Supply Chains* (“Brands Association”). Both associations are established under Dutch law and are registered in Amsterdam, The Netherlands. Signatory companies will conclude an agreement with the Brand Association to authorize representation of the signatory companies in the RSC. Industry will be represented through its own representing body. The Brands Association is only representing brands in the RSC who are signatories to this Agreement and for the duration of this Agreement.
4. All parties are committed to expanding the number of company signatories to this Agreement and support 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 to:
 - a) establish and maintain a credible and effective compliance and accountability mechanism to monitor and hold accountable the factories included in the RSC program.
 - b) operate a sustainable funding model to secure a safe RMG industry in Bangladesh.
 - c) support a roadmap to identify and pursue additional incentives for expanding the coverage of the RSC.
5. Nothing in this Agreement shall limit the power of the SC to withdraw its support from the RSC. In such case the parties will renegotiate the application of this Agreement to Bangladesh.
6. The International Accord Secretariat shall support, coordinate and liaise with the operations of the RSC in order to ensure that the obligations under this Agreement are met. This includes access to relevant data, processes and meetings for the purpose of implementing signatory obligations in alignment with the principles of the International Accord. The parties to this Agreement will conclude a Cooperation Agreement defining the Secretariat’s operational relationship with the RSC.
7. The role and responsibilities of the RSC members are stipulated in the [Memorandum and Articles of Association of the RSC](#), which are annexed to this Agreement.

III. SCOPE

8. The Agreement covers all Cut-Make-Trim (“CMT”) facilities, namely all Ready-Made Garment (RMG), producing product for the signatory companies. Home textile facilities and fabric and knit accessories suppliers can be listed by signatory companies on a voluntary basis. 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.

IV. CREDIBLE INSPECTIONS

9. An inspection program will continue to be implemented in accordance with *Memorandum and Articles of Association* of the RSC and reflecting the principles of the International Accord.

V. REMEDIATION

10. Where corrective actions are identified by the CSO of the RSC as necessary to bring a factory into compliance with building, fire, electrical and boiler 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.
11. 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 21.
12. 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 according to RSC requirements:
 - 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 the worker will receive full severance benefits in accordance with the relevant provision of Bangladeshi law.

In the above-mentioned cases of relocation, Article 22 provisions relating to remediation financing will apply. In cases where a factory is closed under Article 11, workers will receive full severance benefits.

13. 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.
14. 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.

VI. TRAINING

15. An occupational health and safety training program will continue to be implemented in accordance with *Memorandum and Articles of Association* of the RSC and reflecting the principles of the International Accord.
16. Signatory companies shall require their suppliers to cooperate fully with all relevant provisions of the training program, in accordance with the training plan approved by the SC, including facilitation of safety training experts and 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.
17. Health and Safety Committees shall be required by the signatory companies in all Bangladeshi factories that supply them, which shall function in accordance with Bangladeshi law and with applicable ILO standards.

VII. COMPLAINTS PROCESS

18. The complaints process and mechanism as enshrined under the RSC and International Accord will ensure that workers in factories supplying signatory companies can raise concerns about occupational health and safety risks in a timely fashion, safely and confidentially. Signatories shall support the complaints 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 complaints process.
19. Until such time that the RSC Board has agreed to expand the scope of the complaints process beyond occupational health and safety, complaints out of scope of the Accord will be forwarded with the complainant's consent to the brand signatories and factory management, and with the complainant's consent, the complaint may be forwarded to another complaints mechanism.

VIII. TRANSPARENCY AND REPORTING

20. The International Accord Secretariat shall make publicly available and regularly update information on key aspects of the program. These key aspects include:

- a) A single aggregated list of all suppliers in Bangladesh (including sub-contractors) within the scope used by signatory companies, based on data which shall be provided to the International Accord 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 the Escalation Protocol as enshrined under the RSC and International Accord.
- 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.

The parties to this Agreement agree to align with the RSC on public disclosure of data and information with the RSC, the terms of which can be outlined in the Cooperation Agreement referred to in Article 6.

IX. SUPPLIER INCENTIVES

21. Each signatory company shall require that its suppliers in Bangladesh participate fully in the inspection, remediation, complaints process and occupational health and safety and training activities of the RSC, and obtain assurances from its suppliers as a condition for doing business. 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 International Accord Secretariat shall monitor and enforce adherence by the signatories to the Escalation Protocol as it applies to their suppliers in Bangladesh.
22. 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.
23. The International Accord Secretariat shall be informed and monitor company signatory 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 in accordance with the International Accord Financing Remediation Protocol.

24. 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.

X. RELEASE OF RESPONSIBILITY

25. 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 SC, 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. Upon notice to the RSC and International 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.
26. A signatory commits to ensure that its process for disengagement is responsible. If applicable, appropriate actions by the signatory may include providing adequate notice to the covered factory, information on the decision to disengage, and making reasonable efforts to ensure that any workers whose employment are terminated are offered employment with safe suppliers.

XI. FINANCIAL SUPPORT

27. Signatory companies shall assume responsibility for funding the activities of the program as set forth in this Agreement and contribute to the operations of the RSC as agreed by the SC. The SC reserves the right to adjust its financial contribution to the RSC. Each company will contribute its equitable share of the funding in accordance with a formula to be established by the SC subject to a minimum contribution of US\$ 1,000 and maximum contribution of US\$ 250,000 per year for each year of the term of this Agreement, which may be adjusted upon SC agreement.
28. 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 RSC.
29. The RSC founding members through their representatives on the RSC BoD have agreed on a contribution from the industry member of 30% in 2023, 40% in 2024 and 50% in 2025 and 2026 of the operational costs of the RSC. The SC shall be empowered to seek contributions from governmental and other donors to contribute to its share of the funding of the RSC.
30. The SC shall ensure that there are credible, robust, and transparent procedures for the

accounting and oversight of all contributed funds and will verify this by the annual testimony of a chartered accountant. The SC will request the same from the RSC.

XII. DISPUTE RESOLUTION

31. Any dispute between the parties to, and arising under, the terms of this Agreement, shall be presented to and decided by the SC. The SC shall follow the dispute resolution provisions of the International Accord effective on 1 November 2023 and the agreed upon Dispute Resolution Process.

XIII. TERMINATION OF THE AGREEMENT

32. Signatories that completely stop sourcing from Bangladesh will no longer be held to the terms of this Agreement.

XIV. DURATION OF THE AGREEMENT

33. This agreement shall expire on 31 December 2026.
34. Signatories of this Agreement shall also be signatories to the International Accord.

XV. CHOICE OF LAW

35. This Agreement shall be governed by the law of the Netherlands.

Public Version