

INTERNATIONAL ACCORD Information Pack for Brands and Retailers

This Information Pack provides brands with relevant information to onboard as a signatory to the International Accord, Pakistan Accord and the Bangladesh Safety agreements. It presents key information about the agreements in the Frequently Asked Questions sections, along with links to the agreements for signing and the relevant fee structures.

Hyperlinks are included throughout this info pack so you can download and share pdf versions of all documents with relevant colleagues or stakeholders as appropriate.



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PART I



• Structure of the Agreements



EXAMPLE 2 STRUCTURE OF THE NEW AGREEMENTS

As the successor agreement to the Accord on Fire and Building Safety in Bangladesh (signed in 2013 and 2018), the International Accord for Health and Safety in the Textile and Garment Industry (International Accord) commenced on 1 September 2021 and expired on 31 October 2023. The aim of this agreement was to continue the collective workplace safety program in Bangladesh through the RMG Sustainability Council (RSC), and to expand the Accord's safety programs to other countries based on the principles and standards of the previous safety agreements of 2013 and 2018.

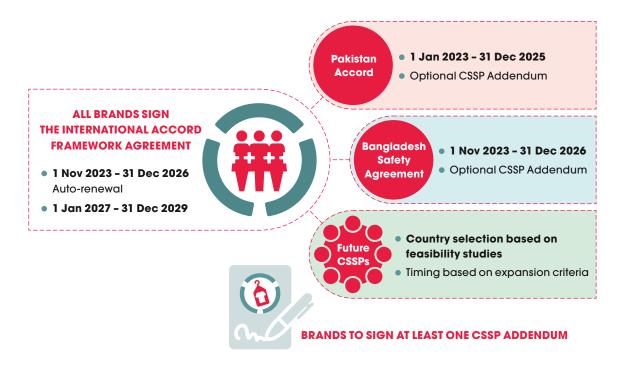
The International Accord Secretariat subsequently conducted feasibility studies, looking into the feasibility and interest for expansion to other countries. This ultimately culminated into a decision of the Accord Steering Committee on 13 December 2022 to establish the Pakistan Accord for Health and Safety in the Textile and Garment Industry (Pakistan Accord), which took effect on 1 January 2023.

Intensive discussions between representatives of global brands and trade unions between July-November 2023, resulted in a new International Accord for a term of three years with the possibility of automatic renewal for another three-year term, making it the longest Accord commitment to date. In addition, negotiations led to a new agreement for a **Country-Specific Safety Program (CSSP)** in Bangladesh, which will be implemented by the RMG Sustainability Council (RSC) and take effect on 1 November 2023, for a three-year term.

The structure of the International Accord was also revised and will now serve as a framework agreement under which CSSPs, currently Bangladesh and Pakistan, will be implemented through Addendums to the International Accord.

All brands are required to sign the new International Accord framework agreement, which contains the Accord's key principles and criteria for expansion to other countries, beyond Bangladesh and Pakistan. In addition, brands are required to sign at least one of the CSSPs.

A visual illustration of the new agreements is as follows:





PART II International Accord

- International Accord for Health and Safety in the Textile and Garment Industry
- Frequently Asked Questions (FAQS)



Read the full text of the **2023** International Accord for Health and Safety in the Textile and Garment Industry <u>here</u>



----- International Accord ----

1) What is the International Accord?

The International Accord for Health and Safety in the Garment and Textile Industry (International Accord) is a legally binding framework agreement between garment brands and trade unions to ensure worker health and safety in the textile and garment industry. The agreement serves as the framework for implementing the Accord's Country-Specific Safety Programs (CSSPs), currently in Bangladesh and Pakistan, as well as any future programs in other garment producing countries.

The terms of each CSSP are set forth in the Addendums to the International Accord. All CSSP Addendums build on the core principles, standards and protocols outlined in the International Accord.

Which CSSP Addendums does the International Accord contain?

The new International Accord currently comprises the following CSSP Addendums:

- Bangladesh Agreement on Health and Safety in the Textile and Garment Industry (Bangladesh Safety Agreement) effective since 1 November 2023
- Pakistan Accord on Health and Safety in the Textile and Garment Industry (Pakistan Accord) effective since 1 January 2023.

Signatory companies to the International Accord commit to signing at least one CSSP.

3) Who implements the International Accord?

The responsibilities of the signatories to the International Accord are monitored and enforced by the International Accord Steering Committee (the SC). The SC is entrusted with the overall management of the International Accord.

The agreement will is implemented through the International Accord Foundation and its Secretariat in Amsterdam, the Netherlands.

The Secretariat is responsible for the following:

- a) overseeing signatory compliance with the International Accord and the CSSPs and their effective management and implementation.
- b) taking necessary steps to ensure worker safety.
- c) providing accurate reporting to the SC for the purpose of implementing signatory obligations under the Accord and its CSSPs.
- d) supporting signatory companies and trade unions in their representative roles.



What is the scope of the International Accord?

The International Accord covers Cut-Make-Trim (CMT) facilities, namely all Ready-Made Garment (RMG), producing product for signatory companies in countries with a CSSP. Furthermore, upon agreement of the Accord SC, other related products, and industries within the supply chains of signatories, such as home textile, fabric and knit accessories suppliers, as well as fabric mills and other production processes, are covered on a country-specific basis.

5) When did the International Accord take effect and what is the duration of the agreement?

The International Accord framework agreement takes effect on 1 November 2023 and will expire on 31 December 2026. The agreement will be renewed automatically for a succeeding term of three (3) years until 31 December 2029 unless either party gives written notice to the other at least ninety (90) days prior.

(6) What are the key principles of the agreement?

The International Accord is based on the core principles that have contributed to the effectiveness of the 2013, 2018 and 2021 Accords:

- Credible inspections
- Remediation
- Complaints process
- Training
- Transparency and reporting
- Supplier incentives
- Capacity-building
- Release of responsibility

What are the main changes from the previous 2013, 2018 and 2021 Accords?

The main changes from the previous 2013, 2018 and 2021 Accords are as follows:

- An international framework:
 - a) committing to expanding the health and safety work progressively in the coming years to other countries, based on feasibility studies and progress made in the existing country programs.
 - b) considering a future expansion of the scope of the worker complaints mechanism beyond health and safety in CSSPs; and
 - c) outlining the key signatory obligations and principles upon which country programs will be built. The details of the country programs will be outlined in Addendums to the International Accord agreement.
- Participating brands sign both the International Accord framework agreement and the relevant CSSP agreements they choose to participate in.
- The Pakistan Accord for Health and Safety in the Textile and Garment Industry (Pakistan Accord), which took effect on 1 January 2023, continues as an Addendum to the International Accord.



(8) What do brands commit to when signing the International Accord?

For all the signed CSSP Addendums to the International Accord, brands and retailers commit to:

- Disclosing their factory list to the Accord and keeping this up to date.
- Requiring their supplier facilities to participate in the inspections, remediation, and workplace
 programs (Safety Committee Training, workers' awareness programs, Occupational Health
 and Safety (OSH) Complaints Mechanism).
- Negotiating commercial terms with suppliers which ensure it is financially feasible for the factories to maintain safe workplaces and comply with remediation requirements.
- Exercising their collective leverage by issuing notice and warning and ultimately terminate business with factories that show inadequate remediation progress, in accordance with the Escalation Protocol.
- Assuming collective responsibility for funding the activities of the program as set forth in the Agreement.
- Exploring the establishment of health and safety programs in other countries than Bangladesh and Pakistan, based on feasibility studies.
- Exploring the expansion of the scope of the agreement to address additional Human Rights Due Diligence responsibilities.

(9) What will the brands be signing?

Participating brands sign both the International Accord framework agreement and the relevant CSSP Addendums for their chosen countries. The existing signatories to the Pakistan Accord will not be required to sign that agreement again until its term expires on 31 December 2025. However, current Pakistan Accord signatories are required to re-sign the International Accord agreement.

(10) Can brands sign the CSSPs without signing the International Accord framework agreement?

It is mandatory for all brands to sign the International Accord framework agreement if they decide to sign at least one of the country programs (Bangladesh and/or Pakistan). Brands that sign the International Accord commit to signing at least one CSSP Addendum.

Will the International Accord expand to other countries?

The signatories agree to the expansion of the International Accord programs to other countries, based on the feasibility study results and expansion criteria.

Consideration for expansion will be given to the feasibility studies conducted under the International Accord as well as relevant developments, particularly heightened safety risks. The Secretariat will regularly update the feasibility studies.

The feasibility criteria include, amongst others:

- the presence and volume of signatory companies in the country.
- the interest of brands,
- the extent to which existing mechanisms can regulate safety,
- the extent to which there are safety risks,
- support of local stakeholders.



The Secretariat will also regularly assess the fulfilment of expansion criteria relating to progress of implementation in the most recently established expansion country to determine when the Accord will expand to the next country. These expansion criteria are:

- In-country operational capacity.
- Initial inspections completed at 50% of covered factories.
- CAPs approved at 25% of covered factories.
- Verified remediation rate of 50% at 10% of covered factories.
- Grievance mechanism established and publicised in 25% of covered factories.
- Training program established and roll-out started at 25% of covered factories.

The number of covered factories used as a basis to assess the completion of these criteria shall be determined at the start of the inspection program as disclosed by the signatory companies.

These expansion criteria apply to the CSSP in Pakistan and all subsequent CSSPs, unless otherwise agreed by the SC considering programmatic specificities of the new CSSPs.

(12) What fees do brands have to pay?

Signatory companies assume responsibility for funding the activities of the International Accord Secretariat and each CSSP they sign.

Each company will contribute its equitable share of the funding to the Secretariat according to a formula established by the Accord SC subject to a minimum contribution of US\$ 250 and maximum contribution of US\$ 100,000 per year for each year of the term of the agreement. This contribution may be adjusted for inflation following SC agreement.

Please note that this annual signatory fee for the International Accord Secretariat is based on the combined FOB Data and factory number of both Bangladesh and Pakistan, irrespective of whether the brand signed both country agreements.

The fee structures for the International Accord, Bangladesh Safety Agreement and the Pakistan Accord are available <u>here</u>.



PART III

Bangladesh Safety Program

- Bangladesh Agreement on Health and Safety in the Textile and Garment Industry
- Frequently Asked Questions (FAQS)



Read the full text of the **Bangladesh Agreement** on Health and Safety in the Textile and Garment Industry <u>here</u>



---- Bangladesh Safety Program

🕦 What is the Bangladesh Safety Program?

The Bangladesh Agreement on Health and Safety in the Textile and Garment Industry (Bangladesh Safety Program) is an Addendum to the International Accord for Health and Safety in the Textile and Garment Industry (International Accord).

The Bangladesh Safety Program is a legally binding agreement between garment brands and trade unions to ensure worker health and safety in the Bangladeshi textile and garment industry. The signatory parties to Bangladesh Safety Program commit to the principles enshrined in the 2023 International Accord, and as stipulated in the 2013, 2018 and the 2021 Accord agreements on Fire and Building Safety in Bangladesh.

2 How does the program in Bangladesh relate to the new International Accord?

The health and safety work in Bangladesh under the Bangladesh Agreement on Health and Safety in the Textile and Garment Industry (Bangladesh Safety Program). The inspections and remediation program, safety committee and safety training program, safety complaints mechanism, and reporting and disclosure requirements of the Accord will continue being implemented and carried forward in Bangladesh by the RMG Sustainability Council (RSC), which has been implementing these programs since June 2020.

(3) What is the scope of the Bangladesh Safety Program?

The Bangladesh Safety Program 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.

What are the key principles of the agreement?

The Bangladesh Safety Program is based on the core principles that have contributed to the Accord's effectiveness:

- Credible inspections
- Remediation
- Complaints process
- Training
- Transparency and reporting
- Supplier incentives
- Capacity-building
- Release of responsibility



(5) Who will implement the Bangladesh Safety Program?

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, an independent tri-partite non-for-profit organisation based in Bangladesh.

The International Accord Secretariat supports, coordinates and liases with the operations of the RSC to ensure that the obligations under the agreement are met.

(6) What do brands commit to when signing the Bangladesh Safety Program?

When signing the Accord, brands and retailers commit to:

- Disclosing their factory list to the Accord and keeping this up to date.
- Requiring their supplier facilities to participate in the inspections, remediation, and workplace programs (Safety Committee Training, worker awareness programs, Safety and Health Complaints Mechanism).
- Negotiating commercial terms with suppliers which ensure it is financially feasible for the factories to maintain safe workplaces and comply with remediation requirements.
- Exercising their collective leverage by issuing notice and warning and ultimately terminate business with factories that show inadequate remediation progress, in accordance with the Escalation Protocol.
- Assuming collective responsibility for funding the activities of the program as set forth in the agreement.

Will companies be meeting their Human Rights Due Diligence (HRDD) responsibilities by signing the Bangladesh Safety Program?

The Bangladesh Safety Program is aligned with UN Guiding Principles on Business and Human Rights (UNGPs). Through the workplace safety programs, signatory brands seek to prevent and mitigate adverse impacts, prioritising one of the most salient human rights risks in their supply chains: the risk to loss of lives and irremediable injuries by fires, building collapses, or other accidents that could be prevented with reasonable health and safety measures.

The independent and trusted Safety and Health Complaints Mechanism, implemented by the RSC, meets the effectiveness criteria for Non-Judicial Grievance Mechanisms (UNGP Article 31, Pillar III – Access to Remedy).

The parties to the agreement will also explore the expansion of the Accord's scope to address additional human rights due diligence responsibilities and will set up a Working Group for this purpose.

(8) Can brands participate in the Bangladesh Safety Program without signing the International Accord framework agreement?

It is mandatory for a brand to sign the International Accord framework agreement if that brand decides to sign on to the Bangladesh Safety Program.



(9) What fees do brands have to pay for the Bangladesh Safety Program?

Signatory companies assume co-responsibility, together with national industry, for adequately funding the activities of the program as set forth in the International Accord. Parties to the Agreement strive for an adequate and increasing contribution of industry and other third parties through respective cooperation and funding agreements.

In Bangladesh, signatory companies assume responsibility for funding the activities of the program as set forth in Bangladesh Safety Program and contribute to the operations of the RSC as agreed by the SC. 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.

The fee structure for the Bangladesh Safety Program is available here.

When does the Bangladesh Safety Program take effect and what is the duration of the agreement?

The Bangladesh Safety Program took effect on 1 November 2023 and expires on 31 December 2026.



PART IV

Pakistan Accord

- Pakistan Accord on Health and Safety in the Textile and Garment Industry
- Frequently Asked Questions (FAQS)



PAKISTAN ACCORD

Read the full text of the **Pakistan Accord** on Health and Safety in the Textile and Garment Industry <u>here</u>



FREQUENTLY ASKED QUESTIONS (FAQS)

 $\widehat{oldsymbol{1}}$ How does the Pakistan Accord relate to the new International Accord?

The Pakistan Accord is a Country-Specific Safety Program (CSSP) Addendum under the International Accord framework agreement. The Pakistan Accord took effect on 1 January 2023 to ensure health and safety in the Pakistani textile and garment industry. Signatories to the Pakistan Accord are committed to fulfilling their obligations as outlined in this agreement until its expiration on 31 December 2025, with the possibility of renewal.

(2) What is the scope of the Pakistan Accord?

The Pakistan Accord covers all Cut-Make-Trim (CMT) facilities, namely all Ready-Made Garment (RMG), home textile, fabric and knit accessories suppliers, producing product for the signatory companies.

Additionally, fabric mills in Pakistan within the supply chains of signatory companies are covered. The timing and process of the implementation of the Pakistan Accord in relation to fabric mills that are not part of integrated facilities, is subject to agreement of the SC.

(3) What are the key principles of the agreement?

The Pakistan Accord is based on the core principles that have contributed to the Accord's effectiveness:

- Credible inspections
- Remediation
- Complaints process
- Training
- Transparency and reporting
- Supplier incentives
- Capacity-building
- Release of responsibility

4) Who will implement the Pakistan Accord?

The responsibilities of the signatories to the Pakistan Accord monitored and enforced by the Steering Committee (the SC) of the International Accord. Until a national governance body is established, the SC remains entrusted with the overall management of the Pakistan Accord.

The International Accord Secretariat reports to the SC on the implementation of the Pakistan Accord and the signatories' obligations on a quarterly basis.



(5) What do brands commit to when signing the Pakistan Accord?

When signing the Accord, brands and retailers commit to:

- Disclosing their factory list to the Accord and keeping this up to date.
- Requiring their supplier facilities to participate in the inspections, remediation, and workplace programs (Safety Committee Training, workers' awareness programs, Safety and Health Complaints Mechanism).
- Negotiating commercial terms with suppliers which ensure it is financially feasible for the factories to maintain safe workplaces and comply with remediation requirements.
- Exercising their collective leverage by issuing a notice and warning and ultimately terminate business with factories that show inadequate remediation progress, in accordance with the Escalation Protocol.
- Assuming collective responsibility for funding the activities of the program as set forth in the Addendum.

6 Will companies be meeting their Human Rights Due Diligence (HRDD) responsibilities by signing the Pakistan Accord?

The Pakistan Accord is aligned with UN Guiding Principles on Business and Human Rights (UNGPs). Through the workplace safety programs, signatory brands seek to prevent and mitigate adverse impacts, prioritising one of the most salient human rights risks in their supply chains: the risk to loss of lives and irremediable injuries by fires, building collapses, or other accidents that could be prevented with reasonable health and safety measures.

The independent and trusted Safety and Health Complaints Mechanism, meets the effectiveness criteria for Non-Judicial Grievance Mechanisms (UNGP Article 31, Pillar III – Access to Remedy).

Can brands sign the Pakistan Accord without signing the International Accord framework agreement?

It is mandatory for Pakistan Accord signatories to sign the International Accord framework agreement. Existing signatories to the Pakistan Accord need not sign the Pakistan Accord again but are required to re-sign the International Accord framework agreement.

(8) What fees do brands have to pay?

Signatory companies shall assume responsibility for funding the activities of the program as set forth in this Addendum. 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\$ 2.500 and maximum contribution of US\$ 185,000 per year for each year of the term of this agreement.

The fee structure for the Pakistan Accord is available here.



(9) Why do brands that sign in 2024 have to pay more for their 2024 annual fee?

The decision to establish the Pakistan Accord was made in December 2022. Since then, the Secretariat has been focused on preparatory work to rollout the Pakistan Accord, including the establishment of the legal entity in Pakistan, stakeholder consultations, signatory onboarding, recruitment of senior staff, and the launch of the Pakistan Accord Building Standard.

All Pakistan Accord signatory brands, both current and future, equally benefit from the extensive work conducted by the Secretariat to establish the Pakistan Accord. Current signatory brands have experienced minimal benefits from inspections and remediation at their factories, as the initial inspections at approximately 10 factories began in mid-October. This is the reason why the Steering Committee (SC) decided to apply a 50% reduction to the annual fees for the year 2023.

It is important to note that all signatories, regardless of when they sign within the year, are invoiced based on the same fee structure and their individual fee band. This means that a brand signing in October or November 2023 pays the same amount as a brand that signed in January or February 2023. The annual fee is not prorated or proportional to the signing date within the financial year, ensuring fairness to brands that committed to supporting the Pakistan Accord from the start.

Additionally, considering that most of 2023 focused on establishing the Pakistan Accord, and recognising that this benefits all present and future signatory brands equally, the SC decided that brands signing in 2024, for any reason, would be required to pay a one-time onboarding fee of 25% of their annual fee. This contribution helps cover the establishment costs incurred in 2023 and is fair for brands that signed in 2023.

(10) When did the Pakistan Accord take effect and what is the duration of the agreement?

The Pakistan Accord agreement took effect on 1 January 2023 and will expire on 31 December 2025.



PART V

How to Become a Signatory

- How to sign
- Admin details



HOW TO SIGN

We encourage all garment and textile companies to sign the 2023 International Accord and at least one CSSP Addendums (Bangladesh and/or Pakistan) and join our collective mission towards a safe and sustainable textile and garment industry.

Here's how you can become a signatory:

🛈 Review

Review the International Accord and Addendum(s) of interest to know more about the workplace safety programs and your commitments as a signatory.

Contact

Write to the International Accord Secretariat at <u>signatories@internationalaccord.org</u> and <u>koen.oosterom@internationalaccord.org</u> to arrange an introductory meeting or if you have any questions before signing the agreement.

3 Sign

Once you decide to become a signatory, please download the clean versions of the relevant International Accord and Addendum(s) that are pre-signed by the global unions:

(Pre-signed version of the International Accord)

(Pre-signed version of the Bangladesh Safety Program Agreement)

(Pre-signed version of the Pakistan Accord)*

*Brands that have already submitted the signed Pakistan Accord do not need to resubmit it.

Sign the International Accord and Addendum(s) (preferably electronically) and return the scanned signed copy to:

- Christina Hajagos-Clausen, <u>CHajagos-Clausen@industriALL-Union.org</u>
- Clementina Pagano, Clementina.Pagano@uniglobalunion.org
- Copy the Accord Secretariat, <u>signatories@internationalaccord.org</u> and koen.oosterom@internationalaccord.org

Induction

Once you've submitted the signed International Accord and Addendum(s), the Secretariat will, upon request, conduct an onboarding session to brief you on how the Accord works. We will also explain the Secretariat's role in supporting you.

After you sign the International Accord and Addendum(s):

- Disclose your yearly FOB value and factory number from factories in Bangladesh and Pakistan.
- Disclose your factory list(s).
- Provide your company logo for listing as a signatory on our website (when needed).

The details for these administrative processes are listed in the following section.



ADMIN DETAILS

• Submission of Administrative Form and Update Contact Form

After you have submitted the signed International Accord and Addendum(s), the Secretariat will ask you to complete and return the Administration Form detailing your annual US\$ FOB values and active factory numbers of the countries concerned.

Submission of your Factory List(s)

Once you have submitted your Administrative Form and completed the Contact Details Form, the Secretariat will ask you to submit your Factory List in accordance with the scope of the relevant country Addendum. The Factory Disclosure Protocol and Factory List Template, and instructions how to complete the Form, will be shared with the signatory brands by e-mail.

• Payment of Invoices

Based on the Administrative Form, and the applicable fee structures, signatory brands will be placed in a Fee Band, which will form the basis for determining the signatory brand's annual fee for the International Accord and each country Addendum.



for Health and Safety in the Textile and Garment Industry