

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

1 November 2023

I. PREAMBLE

The signatory parties to this “International Accord for Health and Safety in the Textile and Garment Industry” (the “Agreement” or “International Accord”) commit to continue the health and safety programs in Bangladesh and Pakistan, and to the expansion of additional “Country-Specific Safety Programs” (“CSSPs”). The Agreement shall be implemented through the International Accord Foundation (the “Foundation”) and its secretariat (the “Secretariat”).

The International Accord shall act as a framework agreement for each CSSP, the terms of which shall be set forth in an individual Addendum to this Agreement. All CSSP Addendums shall be in accordance with the principles, standards and protocols outlined in this Agreement. Each signatory company shall consider participating in the CSSPs in the countries from which it sources.

The signatories welcome a strong role for the International Labor Organization (the “ILO”), 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 undersigned parties are committed to the goal of a safe and sustainable garment and textile industry in which no worker needs to fear fires, building collapses, or other accidents that could be prevented with reasonable health and safety measures. The ultimate goal of the International Accord is for each CSSP program to be transitioned to a national regulatory body.

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 agree to develop CSSPs that will continue to respect the fundamental principles and rights at work, in accordance with relevant ILO Conventions.

II. SCOPE

1. The International Accord covers Cut-Make-Trim (“CMT”) facilities, namely all Ready-Made Garment (“RMG”), producing product for the signatory companies in countries with a CSSP. Furthermore, upon agreement of the SC, other related products and industries that are 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, upon agreement.
2. The signatories to the Agreement further commit to exploring the expansion of its scope to include other human rights due diligence responsibilities. The SC has created a Working Group to explore this possibility, with the understanding that brand participation in any such expansion will not be required unless specified in a CSSP Addendum.
3. 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.

III. GOVERNANCE

4. 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. Each signatory mandates their respective representatives to act in accordance with this Agreement. The SC will strive to reach decision by consensus. The Witness Signatories shall participate as observers.
5. 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 Secretariat staff and senior country program staff (Chief Safety Officer (CSO), Country Manager and Chief Complaints Officer (CCO)), unless otherwise specified in the respective CSSP in accordance with Articles 40 and 41 of this Agreement. The SC shall also be entrusted with oversight and approval of the Secretariat's budget, financial reporting and hiring of financial auditors and controllers, and such other management duties as may be required.
6. The SC may establish technical committees comprising the CSOs and CCOs of each CSSP, and other relevant technical experts upon agreement, to ensure technical consistency, share experiences and liaise across CSSPs.
7. The SC may appoint an Advisory Board involving relevant international stakeholders to facilitate their engagement in constructive dialogue and provide feedback and input to the SC, thereby enhancing quality, efficiency, credibility and synergy.
8. The governance structures, regulations, principles, protocols and policies enshrined under the preceding International Accord shall apply unless revised or as otherwise specified by the SC and shall be implemented in such a way as to not contravene national laws.
9. The signatories hereby authorize the Secretariat:
 - a. to oversee signatory compliance with this Agreement and the CSSPs and their effective management and implementation, as detailed in section V of 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 CSSPs; and
 - d. to support the signatory companies and trade unions in their representative roles.
10. The Secretariat of the International Accord shall report to the SC on the implementation of CSSPs and the signatories' obligations on a quarterly basis.

IV. PRINCIPLES OF THE INTERNATIONAL ACCORD

CREDIBLE INSPECTIONS

11. A qualified CSO, with fire and building safety expertise and impeccable credentials, and who is independent of and not concurrently employed by companies, trade unions or factories, shall be appointed for each CSSP and be responsible for the execution of the CSSP's inspections and remediation program. Provided that the CSO acts in a manner consistent with their mandate under the provisions of the International Accord or the CSSP, the SC shall not restrict or otherwise interfere with the CSO's performance of the technical duties set forth in the International Accord as they see fit, including the scheduling of inspections and the publishing of reports. A CSO who is appointed pursuant to a CSSP may only be dismissed by the SC, unless otherwise specified in the respective CSSP.
12. Thorough and credible safety inspections of covered facilities shall be carried out by skilled personnel selected by and acting under the direction of the CSO, based on internationally recognized workplace health & safety standards and/or national standards.
13. The CSO shall carry out inspections to assess fire, structural, electrical and boiler safety, and any other occupational health and safety matter determined to be a specific risk in a CSSP, based on building safety standards specific to each CSSP.
14. Written Inspection Reports of all facilities inspected under the program shall be prepared under the authority of the CSO within the timelines set in the inspection protocol and shared upon completion with factory management, the factory's Safety Committee, worker representatives (where one or more unions are present in the factory), and the signatory companies. Where there is no health and safety committee at the factory, the report will be shared with the relevant affiliated unions to the Global Union Federations who are signatories to this Agreement. Within the agreed timeline, the CSO shall disclose the Inspection Report to the public, accompanied by the factory's remediation plan, if any.
15. In the event that the CSO identifies a severe and imminent danger to worker safety within the scope of his/her responsibilities, he or she shall immediately inform factory management, the factory's Safety Committee, worker representatives (where one or more unions are present in the factory), the Secretariat and responsible governing bodies, the signatory companies operating in the factory, and the signatory unions to the International Accord and their relevant affiliates, and direct a remediation plan.

REMEDATION

16. Where corrective actions are identified by the CSO as necessary to bring a factory into compliance with occupational health and 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.
17. Signatory companies shall require their supplier factories that are inspected 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 under the relevant national law. Failure to do so may trigger a notice, warning and ultimately termination of the business relationship as described in Article 30.

18. 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 Accord requirements, the following conditions shall apply:
 - 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 and other legally mandated benefits in accordance with the relevant national provisions.
19. 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 17, workers will receive full severance benefits.
20. Signatory companies shall make reasonable efforts to ensure that any workers whose employment is terminated as a result of a factory termination, closure or relocation triggered by Accord activities, are offered employment with safe suppliers.
21. 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 relevant governance body.

COMPLAINTS PROCESS

22. A qualified CCO, with occupational health and safety expertise and impeccable credentials, who is independent of and not concurrently employed by companies, trade unions or factories, shall be appointed for the purpose of executing the CSSP workplace programs. CSSP workplace programs shall be comprised of the complaints process and the occupational health & safety training program under Articles 26, 27 and 28. The complaints process and mechanism will ensure that workers in covered factories signatory companies can raise concerns about occupational health and safety risks in a timely fashion, safely and confidentially.

23. Signatories shall support the complaints process and ensure that it operates independently without undue interference. Signatory companies shall also require their suppliers to support the complaints process and comply with the outcomes. Signatories will continue to implement the complaints process in accordance with the United Nations Guiding Principles on Business and Human Rights (“UNGPs”).
24. The signatories will carry out a pilot program to consider a future expansion of the scope of the worker complaints mechanism beyond health and safety in CSSPs, to include additional fundamental principles and rights at work, and most common types of complaints. Within 6 months of the start of the pilot, the SC will review the results and progress of the pilot and determine next steps.
25. 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.

TRAINING

26. Building on the program enshrined under the International Accord, an extensive occupational health and safety training program shall be adapted and implemented. The training program shall be delivered by skilled personnel, for all workers producing for the signatory companies, managers and security staff with the involvement of trade unions and specialized local experts, leveraging wherever possible the resources and expertise of ILO. These training programs shall cover basic occupational health and safety procedures and precautions, key aspects of occupational health and safety including gender-based violence and harassment, as well as the ILO fundamental principles and rights at work and thus enable workers to voice concerns and actively participate in activities to ensure their own safety.
27. Signatory companies shall require their suppliers to cooperate fully with all relevant provisions of the training program, in accordance with the approved training plan, including facilitation of safety training experts, trainers and certified trade union trainers nominated by the International Accord Secretariat or CSSPs. 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.
28. Health and Safety Committees shall be required by the signatory companies in all factories that supply them, which shall function in accordance with national law and with applicable ILO standards.

TRANSPARENCY AND REPORTING

29. The SC 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 (including sub-contractors) producing product for the signatory companies in each CSSP(s) committed to and within the scope of the relevant CSSP Addendum. This list shall be based on data and provided 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 CSSP shall be disclosed to interested parties and the public.
- c. Public statements by the CSO identifying any factory that is made ineligible to produce for Accord signatory companies for not acting expeditiously to implement remedial recommendations, shall be issued as per the Escalation Protocol.
- 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.

SUPPLIER INCENTIVES

30. Each signatory company shall require its suppliers to participate fully in the inspection, remediation, complaint process and occupational health and safety training activities, 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 Secretariat shall monitor and enforce adherence by the signatories to the Escalation Protocol as it applies to all covered suppliers in all CSSPs.
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 in accordance with the Financing Remediation Protocol, which takes into account the principle of proportionality as reflected in the UNGPs and the related International Accord protocols.

CAPACITY-BUILDING

33. The International Accord is committed to support local government capacity in building an effective national body on inspections, remediation and training through sharing of experience and expertise developed through this program.

RELEASE OF RESPONSIBILITY

34. A signatory company is no longer responsible under this Agreement with respect to the covered factory 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 and/or CSSP Addendum with respect to such factory.
 - b. A signatory has not sourced from a covered factory for 18 months. Upon 18 months of providing notice to the Secretariat, the signatory is no longer responsible under this Agreement for such factory.
 - c. A covered factory is made ineligible to participate under the CSSP as per the Escalation Protocol.
35. A signatory company commits to ensure that its process for disengagement is responsible. If applicable, appropriate actions by the signatory company 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.

V. COUNTRY SPECIFIC SAFETY PROGRAMS (“CSSPs”)

36. The terms of each CSSP will be set forth in an Addendum to this Agreement and will include the principles, protocols, procedures and policies of this Agreement.
37. The SC shall monitor and enforce the responsibilities of the signatories under each CSSP Addendum. The Secretariat shall be authorized to exercise the responsibilities as described in Article 8.
38. The International Accord shall set up a legal entity (country office) in each country to enable operations.
39. The International Accord will, through a consultative process, set up a CSSP national governance body, which will involve national constituents, including industry, brands, trade unions and others upon agreement. National constituents shall strive to reach decisions by consensus within all CSSPs.
40. The signatories agree to define the criteria for determining the appropriateness of a handover of responsibilities for executing the CSSP to a national governance body.
41. The signatories also agree to define the criteria for determining the mandate of such body relative to the mandate of the SC. The decision to such a handover based on the agreed upon criteria rests with the SC.
42. The criteria will address both the readiness of the national governance body and the degree to which fire and building safety in covered factories has been achieved and the degree to which effective implementation of the Accord training and complaints mechanism has been achieved.
43. Should the CSSP national body fail to fulfil its mandate and obligations under the relevant CSSP Addendum, the SC shall have the authority to withdraw support from a CSSP.

44. The ultimate objective is to hand over the CSSP to a national regulatory body.
45. Signatory companies to this Agreement shall commit to signing at least one CSSP.
46. Signatory companies to this Agreement are committed to maintaining a long-term sourcing relationship with the country of each CSSP in which they participate, as is demonstrated by their participation in the CSSP and commitment to the terms of this Agreement.
47. The signatories shall strive to increase the number of brands and retailers who are participating in each CSSP in order to progress towards a sector-wide program in each CSSP.
48. The signatory commits to mandate the respective representatives to act in accordance with each CSSP agreement.
49. CSSPs will coordinate with and support the relevant national government institutions and local expertise and, where applicable, the ILO, in order to build capacity and enhance a culture of health and safety in the country.

VI. EXPANSION OF THE PROGRAM

50. The signatories agree to the expansion of the International Accord programs to other countries, based on the feasibility study results and criteria enumerated in Article 52 and 54.
51. The Secretariat will oversee the design and establishment of the CSSP, which shall be carried out in consultation with relevant national stakeholders and the SC.
52. The signatories have agreed the feasibility criteria for determining where expansion is appropriate. Consideration for expansion should be given to the feasibility studies conducted under the International Accord as well as relevant developments, particularly heightened safety risks. 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 are able to regulate safety, the extent to which there are safety risks, and support of local stakeholders. The Secretariat will regularly update the feasibility studies.
53. Based on the most recent update of the feasibility studies, the SC will decide not less than 3 months prior to the date by which the Secretariat estimates the criteria enumerated in Article 54 will be met, which country will be next in sequence.
54. The Secretariat will consider the following expansion criteria related to the most recently established expansion country in making its determination when the Accord will expand to the next country:
 - a. In-country operational capacity:
 - Registration and office established;
 - Senior staff appointed for all relevant departments;
 - Protocol Pack and associated Standard Operating Procedures adopted and relevant staff trained.
 - b. Initial inspections completed at 50% of covered factories as determined at the start of the inspection program as disclosed by the signatory companies.

- c. CAPs approved at 25% of covered factories.
- d. Verified remediation rate of 50% at 10% of covered factories.
- e. Grievance mechanism established and publicized in 25% of covered factories.
- f. Training program established and roll-out started at 25% of covered factories.

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

- 55. The parties agree to expand to the next new country once the Secretariat has determined that the expansion criteria enumerated in Article 54 are adequately met in the most recently established CSSP. The process will be as follows:
 - a. Upon making its assessment that the expansion criteria have been achieved, the Secretariat will advise the SC.
 - b. Within 3 months of being advised of this determination, the signatories will agree on an adequate CSSP Addendum.
 - c. Once the next country is identified and expansion criteria are met, the Secretariat will respond to imminent life-threatening safety risks by ensuring that initial engineering inspections will commence during the course of this Agreement, even if the CSSP Addendum is still being finalized.
- 56. CSSPs will be implemented through a phased approach based on an assessment of the level of safety risks and the nature of signatory business relationships with their suppliers as agreed by the SC.
- 57. The available capacity of the Secretariat will have to be confirmed by the Secretariat before any expansion taking place.

VII. FINANCIAL SUPPORT

- 58. Signatory companies shall assume responsibility for funding the activities of the International Accord Secretariat and each CSSP to which a company is a signatory, as set forth in this Agreement and the CSSP Addendum. Each company will contribute its equitable share of the funding to the Secretariat in accordance with a formula established by the 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 this Agreement, which may be adjusted for inflation following SC agreement. Each CSSP Addendum specifies the minimum and maximum financial contribution of the signatories to that CSSP.
- 59. A sliding scale of contributions based on factors such as number of factories, annual Free on Board (FOB) value and number of CSSPs to which a company is a signatory, will be defined by the SC with annual revisions, while ensuring sufficient funding for the adequate implementation of the International Accord.
- 60. The establishment of new CSSPs will require additional funding which shall be subject to a decision

by the SC and will be specified in the CSSP Addendum.

61. The SC shall be empowered to seek contributions from governmental and other donors to contribute to costs.
62. 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.

VIII. DISPUTE RESOLUTION

63. Any dispute between the parties to, and arising under, the terms of this Agreement and/or any CSSP Addendum, shall be presented to and decided by the SC. The SC shall follow the agreed upon Dispute Resolution Process.
64. The DRP specifies timelines and procedures involved when disputes arise, with the aim to establish a fair and efficient process. The DRP shall be supported by a member of the Secretariat who will perform an initial investigation for the parties with the aim of seeking resolution of the matter among the disputing parties. Failing resolution, the dispute and initial investigation shall be presented to the SC with the goal of finding a mutually agreeable solution. If a solution cannot be reached, the SC shall issue a decision on the merits and determine adequate remediation measures.
65. Upon request of either party, the decision of the SC may be appealed to a final and binding arbitration process. The DRP also incorporates the opportunity for parties to participate in a mediation process in order to make arbitration unnecessary absent resolution of the dispute by the SC.
66. 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 shall be governed by the International Labor Arbitration and Conciliation Rules. The arbitration shall be conducted by a single arbitrator jointly selected by the parties in accordance with the International Accord's Dispute Resolution Process.
67. The arbitration shall be seated in The Hague and administered by the Permanent Court of Arbitration.

IX. TERMINATION OF THE AGREEMENT

68. Signatory companies that completely stop sourcing from a country where they participate in the CSSP will no longer be held to the terms of the relevant CSSP Addendum. Signatory companies that completely stop sourcing from any country for which there is a CSSP, the signatory will no longer be held to the terms of this Agreement.

X. DURATION OF THE AGREEMENT

69. This Agreement shall expire on 31 December 2026.

70. This Agreement shall 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 to the expiration of the Agreement's first term.

XI. CHOICE OF LAW

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

Public Version