

	<b>Accord on Fire and Building Safety in Bangladesh</b>	<b>Alliance for Bangladesh Worker Safety</b>
<b>General Commitment</b>	Signatories may resign from certain sourcing relationships after two years under certain conditions	Members may resign from the program after two years with no financial penalty
<b>Governance</b>	The program is governed by the 7-member Steering Committee (SC): 3 seats chosen by trade union signatories; 3 seats chosen by businesses; plus a neutral chair chosen by and representing the International Labor Organization (ILO).	The program is run by the 9-member Board of Directors: 4 company representatives; 4 stakeholder representatives with qualifications in: worker safety, human rights, anti-corruption, labor, development, international diplomacy, governance, or supplier interests in Bangladesh, and -an elected Board chair.
<b>Dispute Settlement</b>	Three steps: (1) Any dispute between parties under this agreement shall be decided by a majority vote of the Steering Committee; (2) Decisions may be appealed to a final and binding arbitration process; (3) The arbitration decision is enforceable in a court of law in the domicile of the signatory against whom enforcement is sought.	Members agree to the financial commitments and components of the worker safety program. Noncompliance for delinquent companies can result in binding arbitration. Possible action for noncompliance includes termination of membership in the Alliance.
<b>Financing</b>	Signatories contribute to two basic funds: <ul style="list-style-type: none"> <li>• For administrative activities through share contributions based on annual volumes of garment production in Bangladesh, subject to a maximum contribution of \$500,000 per year</li> <li>• For financing remediation required of their suppliers in Tier 1 and Tier 2 factories (covering 65% of their production in Bangladesh) through joint investments, loans, accessing donor or government support, business incentives, or direct payment</li> </ul>	Signatories contribute to two funds: <ul style="list-style-type: none"> <li>• The “Worker Safety Fund” for administrative activities including inspections, training, worker empowerment, and assistance to temporarily displaced workers, through a tiered fee structure.</li> <li>• Maximum contribution \$1 million per year. The fund is currently valued at over \$42 million. The “Affordable Capital for Building Safety,” fund is designed to provide suppliers with access to affordable loans to finance needed factory repairs and/or improvements. The Alliance reports that it currently has pledges of at least \$100 million.</li> </ul>
<b>Inspections</b>	Each signatory company shall require that its suppliers in Bangladesh participate fully in the inspection and remediation, activities. If a supplier fails to do so, the signatory will	Members have self-imposed deadlines for meeting inspection requirements. Inspections are to be carried out by members or their representatives and/or by

	promptly implement a notice and warning process leading to termination of the business relationship if these efforts do not succeed. Signatories shall require factories to implement corrective actions identified by the Safety Inspector.	independent qualified inspectors. Each member will be responsible for developing its own approach to addressing its relationship with factories deemed “At-Risk”
<b>Training</b>	Signatory companies shall require their suppliers to provide factory access to safety training teams designated by the Training Coordinator. Such teams shall include safety training experts as well as qualified union representatives.	Members commit to providing safety and empowerment training for 100% of factories in the members’ respective supply chains.
<b>Worker Protections</b>	<ul style="list-style-type: none"> <li>• Maintain employment relationship and income: Signatories shall require supplier factories to maintain workers’ employment relationship and regular income while the factory is closed for such renovations for up to six months. If the supplier fails to do so, the signatory shall implement a notice and warning process that may lead to termination of the business relationship</li> <li>• Offer of employment: Signatory companies shall make reasonable efforts to ensure that any workers whose employment is terminated as a result of loss of factory orders are offered employment with safe suppliers</li> <li>• Right to refuse work: Signatories shall require their supplier factories to respect the right of a worker to refuse work, or to refuse to enter or remain in a building, under conditions they justifiably believe are unsafe, without suffering loss of pay Signatory companies shall require worker/management health and safety committees in all Bangladeshi factories and they shall function in accordance with Bangladeshi law</li> </ul>	<ul style="list-style-type: none"> <li>• 10% of the worker safety fund will be reserved to support temporarily displaced workers due to factory remediation</li> <li>• In the event of a fire or safety emergency, the Executive Director (of the Board) will convene affected members to coordinate a response on the transition for such displaced workers and/or aid to victims of such an emergency</li> <li>• Members are committed to empower workers to communicate their factory fire and building safety concerns, without risk of retaliation, to the Alliance or to an independent third party acting on behalf of the Alliance.</li> <li>• Worker participation committees will be created at every Alliance member factory, subject to Bangladeshi law.</li> <li>• Alliance Members require that the Factories they work with respect the right of a worker to refuse work if the worker has a reasonable justification to believe that a safety situation presents an imminent and serious danger. Such worker shall be protected from undue consequences, in accordance with the relevant ILO Conventions and Bangladeshi Law.</li> </ul>

\*Information primarily derived from Congressional Research Service’s “Bangladesh Apparel Factory Collapse: Background in Brief” (January 10, 2014)