

**FOR IMMEDIATE RELEASE
WEDNESDAY, JULY 10, 2013**

**ALLIANCE OF LEADING RETAILERS IN NORTH AMERICA JOIN FORCES IN
COMPREHENSIVE, FIVE-YEAR COMMITMENT TO IMPROVE FACTORY
SAFETY CONDITIONS FOR WORKERS IN BANGLADESH**

***The Bangladesh Worker Safety Initiative — Developed Through Independent Facilitation
of Senators Mitchell and Snowe — Sets Aggressive Timeline for Inspections, Training
and Worker Empowerment***

WASHINGTON, D.C. — JULY 10, 2013 — In a historic pact that covers the overwhelming majority of North American apparel imports from Bangladesh, an unprecedented alliance of North American retailers came together to announce today the unified purpose of dramatically improving factory safety conditions in Bangladesh. The Bangladesh Worker Safety Initiative was developed over the past five weeks under the guidance of former U.S. Senators George J. Mitchell and Olympia Snowe, acting as independent facilitators at the Bipartisan Policy Center.

The 17 retailers have formed the Alliance for Bangladesh Worker Safety to support the binding five-year initiative, which sets aggressive timelines and accountability for inspections, training and worker empowerment. The initiative calls for inspections of 100 percent of alliance member factories within the first year; common safety standards to be developed within the next three months; inspections results that are transparently shared; and that all alliance factories actively support the democratic election and successful operation of Worker Participation Committees (WPC) at each factory.

Under the initiative's inspection program, inspectors will prioritize factory safety risks for remediation efforts, and also are empowered to report immediately to the alliance, WPCs, building owners, and the Bangladeshi government any dangerous safety conditions, up to and including calling for factory closure and evacuation of workers.

The initiative also includes a key role for an independent chair of the Board of Directors that is responsible for oversight. Members of the alliance are providing the funding necessary over the five-year period — currently at \$42 million and growing — to support the specific programs of the initiative, with some companies offering an additional combined total of over \$100 million in loans and access to capital to assist factory owners they work with in Bangladesh for factory safety improvements.

The CEOs of the alliance members made a joint statement today, saying: "The safety record of Bangladeshi factories is unacceptable and requires our collective effort. We can prevent future tragedies by consolidating and amplifying our individual efforts to bring about real and sustained progress."

A primary goal of the alliance is the engagement of and partnership with the Bangladeshi and U.S. governments, as well as with the factory owners to ensure that there is accountability among all parties and thus the opportunity for sustained and lasting change in Bangladesh.

Senator Mitchell described the Bipartisan Policy Center's role in facilitating the creation of the alliance, saying, "We sought and received input from a wide range of interested parties, including, among others, the governments of Bangladesh and the United States, fire and safety experts, and worker representatives. The discussions were detailed and extensive. While there were many differences, in interests and on issues, the dominant common theme was the importance, indeed the necessity, of developing and implementing a meaningful plan of action to dramatically improve worker safety in the garment industry in Bangladesh."

"My involvement in this process has been for one purpose — to help produce solutions and results on behalf of the workers of the garment industry in Bangladesh," said Senator Snowe. "We all share a deep sense of collective responsibility to prevent the horrific loss of human life we've witnessed in Bangladesh from ever recurring. The Alliance has put forth a serious agreement, born out of a collaborative process with input from a variety of stakeholders, that constitutes a substantive and timely step forward in protecting Bangladeshi workers."

The initiative tackles the most pressing challenges identified within the country's rapidly expanded garment manufacturing industry, with specific and measurable actions, including:

- **Factory Inspections and Safety Commitment:** Within one year, 100 percent of all factories that conduct work with an alliance member will be inspected. Members have agreed to work only with factories that ensure a safe working environment, and as a result, all have committed to refusing to source from any factory the member determines is unsafe.
- **Establishing Common Safety Standards for Factories:** To work with "one voice," common safety standards will be developed and in place by October of this year. Members of the alliance will share inspection results, following the adoption of the Alliance Fire and Building Safety Standards. Inspection results will be shared anonymously through an independent organization, the Fair Factories Clearinghouse, so that factories with dangerous safety conditions are immediately identified; these findings are transparently communicated to factory owners, workers and the government; and problems quickly addressed.
- **Worker Training:** Ensures ongoing, mandatory training and education for factory workers and managers, and that all alliance factories actively support the democratic election and successful operation of Worker Participation Committees at each factory. These committees provide a forum for workers to raise safety and workplace concerns without fear of retaliation.
- **Worker Voice:** To further empower workers, an anonymous worker hotline will be established by November of this year that will use mobile technology and be administered by a third party.
- **Oversight of Alliance:** To govern the alliance and ensure the retailer members follow through on their commitments, a nine-member Board of Directors has been established.

The makeup of the board provides an independent level of review, with four retailers, four stakeholders who provide specific expertise, and an independent board chair. The chair is expected to be named within the next few weeks.

- **Semi-annual Progress Reports:** To ensure accountability and given the specific deadlines put forward by the alliance, the Board of Directors will make public semi-annual progress reports of the alliance programs against the objectives of the initiative. In addition, the alliance has asked Senators Mitchell and Snowe to provide independent verification of the program's effectiveness over at least the first two years.
- **Program Funding:** Each member of the alliance contributes a specific amount to support the initiative. The amount is based upon the amount of production each company has in the country, with companies with the higher levels of production paying \$1 million a year for five years. Currently, the alliance safety fund is \$42 million and growing, and the alliance will designate 10 percent of the fund to assist workers temporarily displaced by factory improvements or in the event of a factory closure for safety reasons. The funds also will support the selected non-governmental organization (NGO) that will implement components of the program. The NGO will be on the ground in Bangladesh and will be selected within the next 30 days.
- **Supporting Improvements at Factories.** Collectively, individual retailers have committed over \$100 million in funding for low-interest loans and affordable access to capital in order to ensure repairs at factories they work with are made in a timely manner.
- **Increased Involvement with the Bangladeshi Government:** Using the collective power of the industry, the alliance is also committed to forging a stronger partnership with the Bangladeshi government to ensure lasting infrastructure and industry improvements are realized in order for the industry to continue to thrive. The alliance will work with the government of Bangladesh and its industry groups, worker rights organizations and others who support safer factory working conditions to coordinate the initiative's activities with the National Tripartite Plan of Action (NAP) on Fire Safety for the RMG Sector in Bangladesh.

In the letter from the CEOs, the top retail leaders added: "We believe the partnership and collaboration are critical to our success. We are committed to working with other global brands in order to achieve swift change. We'll use the power of the newly created alliance to find other sources of funding to support additional infrastructure improvement, including working closely with government agencies around the world."

During the development of the initiative, Senators Mitchell and Snowe, at the request of the alliance, solicited input from involved parties including the ILO, the Ambassador of Bangladesh to the United States, U.S. Bangladesh Advisory Council, and U.S. Department of State, and Office of the U.S. Trade Representative to assist in the design of the program.

"This process was driven by the shared desire to achieve tangible and durable change and intense debate about how best to accomplish it," added Jason Grumet, president of the Bipartisan Policy Center that oversaw the convening. "The resulting alliance provides a way for all concerned parties — international buyers, Bangladeshi factory owners, and workers' organizations, the Bangladeshi and other governments — to improve conditions on the ground."

About The Alliance for Bangladesh Worker Safety

The Alliance for Bangladesh Worker Safety was founded by a group of 17 North American apparel retailers and brands who have joined together to develop and launch the Bangladesh Worker Safety Initiative, a binding, five-year undertaking that will be transparent, results-oriented, measurable and verifiable with the intent of improving safety in Bangladeshi ready-made garment (RMG) factories. Collectively, these alliance members represent the overwhelming majority of North American imports of RMG from Bangladesh, produced at more than 500 factories.

The alliance provides retailers the unprecedented opportunity to come together and put forward concrete solutions to issues that impact the global apparel and retail industries. The current group includes the following founding companies: Canadian Tire Corporation, Limited; Carter's Inc.; The Children's Place Retail Stores Inc.; Gap Inc.; Hudson's Bay Company; IFG Corp.; J.C. Penney Company Inc.; The Jones Group Inc.; Kohl's Department Stores; L. L. Bean Inc.; Macy's; Nordstrom Inc.; Public Clothing Company; Sears Holdings Corporation; Target Corporation; VF Corporation; and Wal-Mart Stores Inc.

Supporting associations include: American Apparel & Footwear Association, Canadian Apparel Federation, National Retail Federation, Retail Council of Canada, Retail Industry Leaders Association, and United States Association of Importers of Textiles & Apparel. In addition, Li & Fung, a major Hong Kong-based sourcing company which does business with many members of the alliance, will serve in an advisory capacity. More members of the alliance are expected to be added in the days and weeks ahead.

The event will be webcast at www.bipartisanpolicy.org and webcast and archived at www.bangladeshworkersafety.org