It is the policy of the Alliance for Bangladesh Worker Safety, Inc. (the “Alliance”) to comply strictly with all laws and regulations applicable to its activities. Compliance with the letter and spirit of the antitrust laws is important to the success of the Alliance and to advancing its positive, socially responsible objectives.

This document establishes mandatory Antitrust Law Guidelines to ensure that the activities of the Alliance and its Members are conducted well within the limits established by the United States’ antitrust laws. In some cases, these guidelines may apply a higher, more restrictive standard to Alliance-related activities than what the law requires. The Alliance is adopting these guidelines in order to ensure that its conduct is beyond question under the U.S. antitrust laws.

**Application of Antitrust Laws to the Alliance**

The Alliance was established by a group of North American apparel companies and retailers and brands (referred to herein as the “Members”) to improve safety in Bangladeshi ready-made garment (RMG) factories. Although industry collaborations such as the Alliance may be formed for such legitimate and socially responsible reasons, they are sometimes susceptible to suspicions of collusive behavior merely by virtue of the fact that they can bring together horizontal competitors. Accordingly, caution should be exercised to ensure that the Alliance and its Members operate in a manner such that the Alliance’s legitimate and laudable purposes are not compromised by the possibility or appearance of potential antitrust law violations.

The sharing among competitors of competitively-sensitive information like pricing, production data, production cost information, or technical innovation plans could, in some circumstances, be viewed as giving rise to an agreement that improperly restrains competition. In addition, Alliance meetings or initiatives might be viewed as providing opportunities for participants to form agreements that improperly exclude competitors, suppliers, factory operators, or customers from markets, or as settings in which a Member or group of Members might misuse Alliance projects or processes to abuse a dominant position in the market.

It is therefore important that the Alliance and each Alliance Member familiarize itself with and strictly abide by the policies and guidelines in this document.

**A. Restricted Communications**

All meetings, communications, decisions, and other activities of Members should be limited to what is reasonably necessary to achieve the Alliance’s and the specific project’s legitimate objectives related to improving safety in Bangladeshi RMG factories.

The following are restricted topics and accordingly shall not be the subject of agreements between, or discussed or addressed by, any Members who are actual or potential competitors without prior review and approval by appropriate legal counsel:
• Current or future prices, terms or conditions, pricing policies, costs, profits, or market shares of Members, or of goods, services, intellectual property or technologies offered by them.

• Intentions or plans about Members’ current or future commercial activities, including product advertising and promotional efforts, research and development, production or pricing policies, and decisions as to whether to deal with specific Bangladeshi RGM factories, customers (or suppliers) or classes of customers (or suppliers).

• Any topic that could be construed as an allocation of customers or division of markets.

• Speculation or predictions about how commercial activities of Members might change in response to business or legislative developments.

These guidelines apply to both the direct and indirect sharing of information or other communication among the Members. Members shall not use other Members or third parties as conduits for sharing competitively-sensitive information between actual or potential competitors. For example, these guidelines forbid Member A from sharing with Member B information it received from a Member C, if that sharing or communication would not be allowed directly between Members B and C (i.e., they are competitors). The same principle of course applies to forbidden agreements or understandings. If questions arise as to what topics may be discussed or agreed to, Members should consult legal counsel.

B. Meetings and Teleconferences

Meetings and teleconferences involving Members that are actual or potential competitors should be conducted in accord with the following guidelines:

• The meeting or teleconference shall be led by a designated chair of the Alliance, and the chair shall be authorized to determine the agenda and to terminate the meeting or teleconference if appropriate.

• A detailed agenda shall be prepared in advance of the meeting or teleconference, and all discussions must adhere to the agenda. The agenda shall be circulated to all Members and reviewed by counsel in advance of the meeting or teleconference.

• At the beginning of any meeting or teleconference, the designated chair shall read a statement regarding the Alliance’s antitrust guidelines, including those governing any information sharing.

• Minutes shall be kept.

C. Data Sharing Guidelines

One of the main objectives of the Alliance is to gather and pool certain information, such as information about workplace conditions, in furtherance of the Alliance’s central purpose of improving safety in Bangladeshi RMG factories. In order to achieve this objective, certain data that might otherwise be kept confidential by Members may be shared among the Members, subject to certain conditions. In general, however, Members should not share with each other any confidential information about commercial activities, particularly information that falls into one of the restricted topics enumerated above, if such information is outside the
scope of the Alliance-sanctioned activities or not necessary to achieve the Alliance’s objectives.

Any data-sharing initiative should adhere to the following general guidelines:

- Disaggregated, confidential and/or competitively-sensitive information or data shall be collected only by authorized persons and in compliance with advance legal guidance from counsel. Using an independent third party to receive and aggregate or process competitively-sensitive material or data is preferred.

- As a general rule, the more historical the data being collected, the less likely it is that the data would be viewed as competitively-sensitive.

- The sharing of competitively-sensitive data among Alliance Members (or with any third party) may occur only in compliance with advance guidance from counsel.

- Any forms used to collect confidential and competitively-sensitive information should include a statement that the information will be handled in conformity with these guidelines.

More specifically, the following guidelines shall be followed by the Alliance:

- Inspection reports and corrective action plans available to Members or other competitors, through Fair Factories Clearinghouse (“FFC”) or otherwise, will be redacted to remove information linking specific Members to specific factories.

- Other competitively-sensitive information should not appear in inspection reports or be exchanged among Members or competitors, including, but not limited to:
  
  o Information relating to individual company prices, margins, discounts, or credit terms;
  
  o Information that could affect current or future prices, including costs, volume, capacity, inventories, and sales; and
  
  o Trade secrets and information regarding individual company plans about product design, production, research and development, sales, distribution or marketing, including proposed territories or customers.

- Decisions regarding whether and under what terms or conditions to do business with a factory are to be made by each Member in its own unilateral company discretion, and should not collectively be agreed upon among Members.

**REMEMBER:** If there is any doubt about the propriety of a topic for discussion or agreement, counsel should be consulted in advance.