

INTERNATIONAL ACCORD QUARTERLY AGGREGATE REPORT

#4 2022

DATA AS OF 1 DECEMBER 2022

INTRODUCTION

The International Accord publishes this Quarterly Aggregate Report (QAR) to inform its stakeholders of safety conditions and progress across all Accord covered factories. Additionally, it provides an update on the key developments in each area of the Accord programs.

The transparency and reporting commitments of Accord signatories are outlined in International Accord article 28 and include a provision that the Steering Committee will publish 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.

The reporting cycle for the QARs is March to May, June to August, September to November, and December to February. Data is collated on the 1st day after each quarter ends. In June 2022, we revised the reporting format for these reports to simplify data presentation and make the QARs more reader friendly. For any questions on the comparison in reporting before and after June 2022, please contact the Accord Secretariat: contact@internationalaccord.org

This QAR comprises two parts:

PART 1 provides aggregate data on the progress of safety programs implemented by the RMG Sustainability Council (RSC) at factories supplying Accord signatories in Bangladesh.

PART 2 provides an update on the International Accord's feasibility study regarding expansion of Accord programs to other countries.

The Accord has published QARs since February 2016. The most recent reports are available online at www.internationalaccord.org/reporting

An archive of earlier reports published by the Bangladesh Accord is available online at www.bangladeshaccord.org/resources

PART 1

Progress of safety programs implemented by the RMG Sustainability Council in Bangladesh

SUMMARY

Part 1 of the QAR provides an overview of how the safety programs implemented by the RMG Sustainability Council (RSC) are progressing at Accord covered factories. Since 2020, the RSC has implemented the following programs on behalf of the Accord at all factories supplying to our company signatories:

- Initial fire, electrical, structural and boiler safety inspections
- Follow-up inspections to monitor remediation and potential new issues
- Safety Committee training program
- All-employee meetings
- Safety complaints mechanism

1. INSPECTIONS PROGRAM

KEY POINTS

FIGURE 1.1 INITIAL INSPECTIONS AT COVERED FACTORIES

Initial inspections assess fire, electrical and structural safety standards.

COVERED FACTORIES	JUN 2022	SEP 2022	DEC 2022
Factories with initial inspections completed	1,401	1,433	1,451
Factories to be scheduled for initial inspections	32	16	110
TOTAL COVERED FACTORIES	1,433	1,449	1,561
FACTORIES NO LONGER COVERED BY ACCORD			
Closed	224	226	235
Relocated	172	180	180
Made ineligible for business with Accord company signatories	210	215	217
No longer supplying Accord brands (still RSC covered)	286	259	253
Out of Accord scope	76	77	77
TOTAL FACTORIES INSPECTED BUT NO LONGER COVERED	972	957	962
TOTAL FACTORIES INSPECTED OR SCHEDULED FOR INITIAL INSPECTIONS SINCE 2013	2,405	2,406	2,523

- The number of factories supplying Accord company signatories expanded by 112 in this quarter, reaching 1,561 by December 2022.
- The steep increase in total listed factories from September to December 2022 is largely due to the listing of 92 factory building extensions in October 2022.
- The RSC conducts initial inspections at newly listed factories. 110 factories were awaiting initial inspection as of 1 December 2022.
- 9 factories have closed in the last quarter and the RSC has verified these facilities are no longer producing and will cease to be monitored by the RSC.
- 2 factories were made ineligible to supply Accord company signatories in this quarter.
- Since the start of the Bangladesh Accord in 2013, a total of 962 factories have been inspected by the Accord or RSC but are no longer covered by the Accord agreement due to various reasons including closure, relocation, becoming ineligible to supply company signatories due to failure to participate in the International Accord programs, or the product type not falling in scope of the Accord.

FIGURE 1.2 FOLLOW-UP INSPECTIONS AT COVERED FACTORIES TO DATE

Follow-up inspections assess remediation progress and generate updated CAPs on the public website.

	JUN 2022	SEPT 2022	DEC 2022
Fire	10,657	10,876	11,192
Electrical	10,976	11,217	11,542
Structural	6,158	6,345	6,585
TOTAL	27,791	28,438	29,319

KEY POINTS

- RSC engineers conducted fire safety and electrical safety follow-up inspections at over 300 factories, and structural safety follow-up inspections at over 200 factories from 1 September to 1 December 2022.

FIGURE 1.3 TARGETED FIRE SAFETY INSPECTIONS AT COVERED FACTORIES TO DATE

In addition to the regular fire follow-up inspections, RSC engineers conduct targeted inspections to check the correct installation of fire alarm and fire suppression systems.

	MAR 2022	JUN 2022	SEPT 2022	DEC 2022
Visit to prepare for testing & commissioning verification inspections	857	947	1,021	1,106
Initial testing & commissioning verification inspections	696	759	831	894
Final testing & commissioning verification inspections	134	159	198	218
Fire pump inspections (assessing remediation of negative suction issues)	233	238	238	240
TOTAL	1,920	2,103	2,288	2,458

KEY POINTS

- RSC fire engineers conducted around 170 targeted fire system inspections and visits from September to December 2022 to assess the installation status of fire alarm and fire suppression systems.
- The RSC conducted 2 specific inspections of fire pumps to check whether negative suction issues have been adequately resolved.

FIGURE 1.4 PRELIMINARY BOILER SAFETY INSPECTIONS

The Accord introduced boiler safety as an additional scope for inspections and remediation in 2018. The RSC has trained a team to conduct boiler inspections in three stages: firstly, the engineers will conduct a preliminary visual inspection; secondly, the engineers will conduct hydrostatic pressure test & internal inspection; thirdly, the engineers will conduct an external inspection including functional test.

	MAR 2022	JUN 2022	SEPT 2022	DEC 2022
Preliminary visual inspections	387	747	1,139	1,373
Internal inspections	-	-	-	2
Hydrostatic inspections	-	-	-	2
Functional inspections	-	-	-	0

KEY POINTS

- The RSC boiler safety team conducted 234 preliminary boiler safety inspections from September to December 2022.
- The RSC piloted their next stages of boiler inspection, internal, hydrostatic and functional inspections, at the end of November 2022.

FIGURE 1.5 INSPECTIONS IN RESPONSE TO SAFETY COMPLAINTS AND INCIDENTS

The Accord signatories' complaints mechanism is managed by the RSC. Whenever complaints are raised which relate to fire, structural, electrical or boiler safety, RSC engineers will conduct an inspection at the factory to assess the complaint and, where necessary, advise on remediation. In addition, if a safety incident at a factory is reported through any other route, the RSC engineers conduct a post-incident inspection to assess the cause of the incident and any remediation required.

	MAR 2022	JUN 2022	SEP 2022	DEC 2022
Inspections in response to safety complaints	85	97	109	120
Inspections in response to a reported safety incident	67	81	100	100
TOTAL	152	178	209	220

KEY POINTS

- From September to December 2022, there were 11 inspections in response to safety complaints and no post-incident inspections.

FIGURE 1.6 FACTORIES REQUIRING TEMPORARY EVACUATIONS

In the event that RSC engineers identify hazards which pose critical safety concerns, they will follow a critical findings protocol which may lead to temporary evacuation of the factory. Accord article 18 requires signatory companies and their suppliers to maintain workers' income during any factory closure that is necessary for remediation.

	MAR 2022	JUN 2022	SEP 2022	DEC 2022
Temporary factory evacuations	80	82	84	85

KEY POINTS

- From September to December 2022, 1 factory was called upon to temporarily evacuate due to critical safety concerns.

2. REMEDIATION

FIGURE 2.1 REMEDIATION PROGRESS OF SAFETY ISSUES IDENTIFIED DURING INITIAL INSPECTIONS IN COVERED FACTORIES

1 MAR 2022	92%
1 JUN 2022	92%
1 SEP 2022	92%
1 DEC 2022	92%

KEY POINTS

- The aggregate remediation rate did not change throughout 2022.

FIGURE 2.2 CAP & REMEDIATION STATUS VS. YEAR OF INITIAL INSPECTION

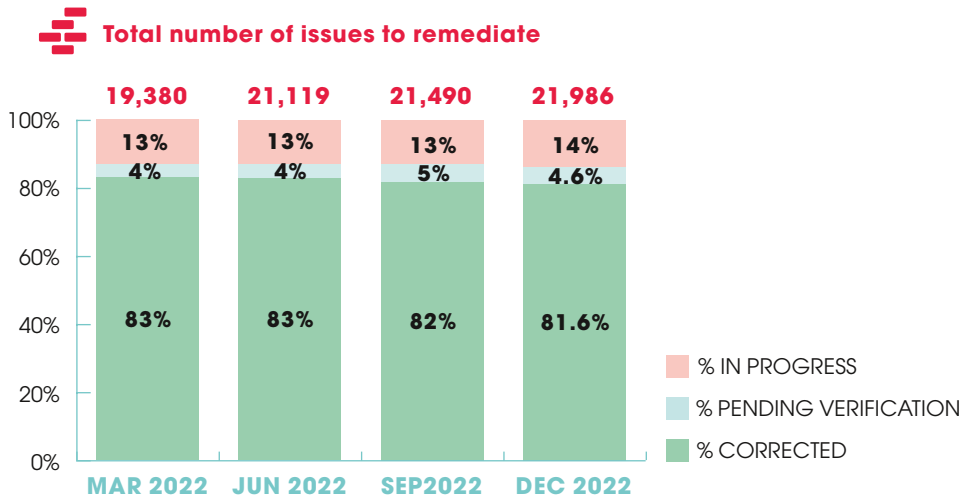
Year of initial inspection	Total factories with the initial inspection conducted that year	CAP behind schedule <small>The CAP is in implementation but one or more timelines have not been met</small>	CAP on track <small>The CAP is in implementation and all timelines have so far been met</small>	Initial CAP completed <small>All issues identified in the initial inspections have been verified as corrected</small>	CAP not implemented <small>The factory does not agree to implement the CAP and as a result the supplier is ineligible for business with Accord signatory companies (see Section 8. Non-compliant suppliers)</small>	CAP not finalised/ no CAP <small>The CAP is either incomplete or not yet approved</small>	CAP N/A	Initial findings progress rate
2013	84	28	8	40	7	0	1	98%
2014	819	317	59	305	137	0	1	98%
2015	191	78	14	58	41	0	0	98%
2016	88	39	10	27	12	0	0	93%
2017	131	90	8	22	11	0	0	90%
2018	88	61	11	10	6	0	0	90%
2019	79	58	10	6	4	1	0	87%
2020	29	26	3	0	0	0	0	79%
2021	93	88	3	0	2	0	0	71%
2022	69	59	1	0	0	9	0	50%
TOTAL	1671	844	127	468	220	10	2	92%

KEY POINTS

- Around 28% (468) of all covered factories have completed the remediation required after their initial inspection.
- Around 50% (819) of all covered factories had their inspection in 2014. Of these, just over a third have completed their remediation, 17% became ineligible due to non-compliance with Accord requirements, and around half are still working on the remediation measures.

FIGURE 2.3 STRUCTURAL REMEDIATION STATUS

Structural remediation often involves conducting a detailed engineering assessment, strengthening vertical or horizontal load bearing capacity, and maintaining load management plans.



KEY POINTS

- Compared to fire and electrical remediation, there is a higher percentage of structural issues in progress, in part due to the slow pace of finalising detailed engineering assessments.

FIGURE 2.4 STATUS OF MOST COMMON STRUCTURAL FINDINGS

FINDING	No. of factories where the finding was identified		No. of factories where the finding is outstanding		% of factories where the finding is outstanding	
	SEP 2022	DEC 2022	SEP 2022	DEC 2022	SEP 2022	DEC 2022
Lack of management load plan	989	980	56	50	6%	5%
Inconsistency with building plan and drawings	1,050	1,040	85	72	8%	7%
Incorrect implementation of existing load management plan	898	889	47	42	5%	5%
Lack of design check against lateral load	734	728	69	66	9%	9%

KEY POINTS

- The structural safety issues above were found at half or more factories and whilst a large majority of factories have addressed these issues, 5 to 9% of factories are yet to remediate adequately.
- The four most common issues found in factories throughout the quarter has been consistent. The minor increase is due to new factories being inspected.
- The most remediation progress in the past quarter was with factories conducting design checks against lateral load and making drawings consistent with the building plan.

FIGURE 2.5 STATUS OF DETAILED ENGINEERING ASSESSMENTS '(D)EA'

Factories requiring a (D)EA have to commission a qualified engineering firm to conduct the DEA and then submit it to the RSC for acceptance and verification through on-site inspection. Once a DEA has been accepted it may still revert to outstanding if the building structure is later altered.

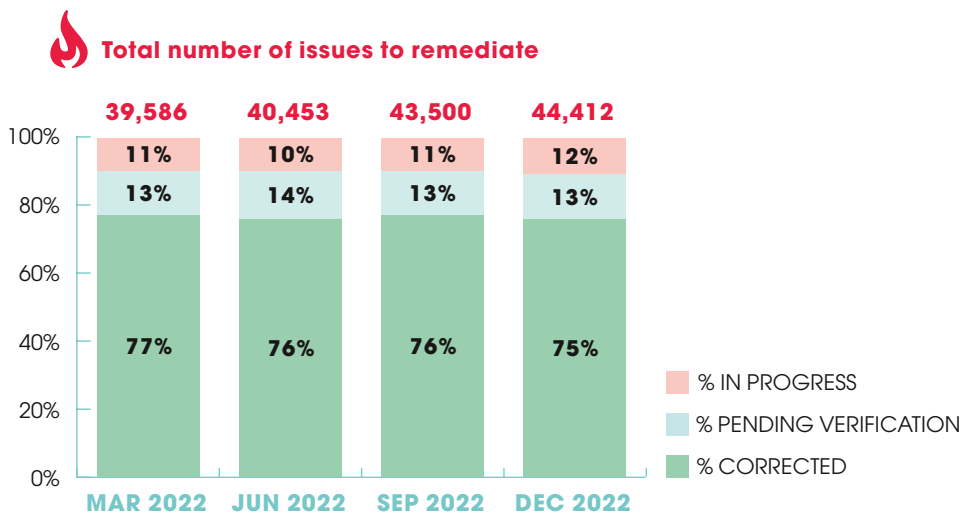
	MAR 2022	JUN 2022	SEP 2022	DEC 2022
Factories required to conduct a (D)EA	1,108	1,118	1,138	1,142
(D)EA accepted and verified	1,014	1,007	999	993
Factories with (D)EA outstanding	94	111	139	149

KEY POINTS

- 993 factories currently have an accepted and verified (D)EA, which has decreased due to several factories needing to revise their (D)EA to account for changes in the building.
- Almost three quarters of covered factories (1,142 of 1,561) were required to conduct an Engineering Assessment to check the structural integrity of the factory buildings.
- 13% of factories requiring a DEA are yet to complete the process.

FIGURE 2.6 FIRE REMEDIATION PROGRESS


Fire remediation often involves establishing and maintaining adequate exit routes, installing certified fire doors, constructing fire-proof separations, and installing, testing, and commissioning a fire alarm system and a fire suppression system.



KEY POINTS

- Compared to structural and electrical safety issues, a higher percentage of fire safety issues are pending verification. This is due to the more elaborate process to verify testing & commissioning of fire safety systems.

FIGURE 2.7 STATUS OF MOST COMMON FIRE FINDINGS

FINDING 	No. of factories where the finding was identified		No. of factories where the finding is outstanding		% of factories where the finding is outstanding	
	SEP 2022	DEC 2022	SEP 2022	DEC 2022	SEP 2022	DEC 2022
Lockable/collapsible gates	1,253	1,243	8	8	0,6%	0,6%
Inadequate egress lighting	1,290	1,279	38	53	3%	4%
Lack of fire separation in hazardous areas	1,205	1,195	83	80	7%	7%
Non-compliant exit stair openings	1,290	1,282	171	172	13%	13%
Storage in means of egress	1,167	1,158	26	24	2%	2%

KEY POINTS

- The fire safety issues above were found at over 80% of factories.
- There has been most progress in removing lockable / collapsible gates, with only 8 factories yet to do so. Most factories have managed to resolve storage blocking exit routes.
- There has been less progress with noncompliant exit stair openings, which usually means the emergency exit route does not lead to a safe space outside the building - 13% of factories are yet to remediate this adequately.

FIGURE 2.8 SAFE EGRESS STATUS AT COVERED FACTORIES

Safe egress relates to the overall ability for workers to safely exit a factory in case of fire or other emergency. Safe egress requires a number of conditions to be in place, including adequate means of egress for the number of people, no blocked routes, egress lighting, fire-rated separation of exit routes, and no locks on exits.

STATUS SAFE EGRESS	MAR 2022	JUN 2022	SEP 2022	DEC 2022
All safe egress measures verified as corrected	543	585	617	638
At least one finding related to safe egress pending verification and no finding outstanding	401	438	416	392
At least one finding related to safe egress outstanding	163	163	152	163

KEY POINTS

- 53% (638) of Accord covered factories have implemented all measures required in the initial inspection to ensure safe egress and these have been verified by the Accord or RSC.
- 33% (392) of Accord covered factories have implemented safe egress measures which are pending RSC verification.
- 14% (163) of factories have not yet made all necessary remediation to ensure safe egress for their workers in case of fire or other emergency.

FIGURE 2.9 FIRE SYSTEMS STATUS

The majority of inspected factories lacked adequate fire alarm and fire suppression systems. Factories work with qualified engineers to design, plan and install fire alarm and fire suppression systems which meet international standards.

FINDING	Fire Alarm and Detection system (FADS)		Fire Suppression system (SUPS)	
	SEP 2022	DEC 2022	SEP 2022	DEC 2022
Factories where FADS/SUPS is required	1,430	1,437	1,152	1,158
Fire system verified as installed to standard and fully functional	407	423	269	277
Fire system installation or verification outstanding	1,023	1,014	883	881

KEY POINTS

- Only 29% (423) of factories which need to install a fire alarm & detection system have completed installation and had it verified by the Accord/RSC.
- Only 24% (277) of factories which need to install a fire suppression system have completed installation and had it verified by the Accord/RSC.

FIGURE 2.10 ELECTRICAL REMEDIATION STATUS

Electrical remediation often involves developing a Single Line Diagram to depict the electrical scheme of the factory, rewiring to reduce hotspots, training, Personal Protective Equipment for electrical technicians, and preventing accumulation of dust and lint around electrical cables.

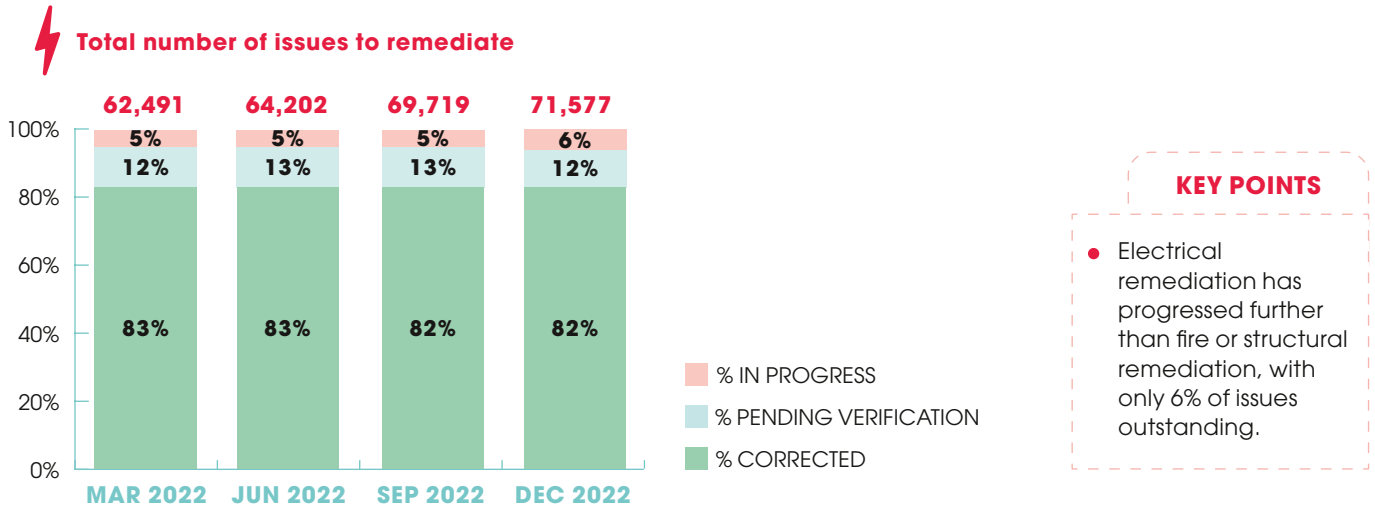


FIGURE 2.11 STATUS OF MOST COMMON ELECTRICAL FINDINGS

FINDING	No. of factories where the finding was identified		No. of factories where the finding is outstanding		% of factories where the finding is outstanding	
	SEP 2022	DEC 2022	SEP 2022	DEC 2022	SEP 2022	DEC 2022
Lack of cable support and protection	862	856	12	11	1%	1%
Lack of Lightning Protection system (LPS)	823	817	34	37	4%	5%
No Single Line Diagram (SLD)	815	810	121	126	15%	16%
Inadequate circuit breakers	750	745	26	31	3%	4%
Hazardous accumulation of dust and lint on electrical equipment	734	730	1	1	0.1%	0.1%
Unsafe earthing equipment	681	678	1	1	0.1%	0.1%

KEY POINTS

- The electrical safety issues above were found at 50-60% of factories.
- In the past quarter, there has been an increase of factories with outstanding lack of lightning protection system, no single line diagram (SLD) and inadequate circuit breaker.
- In general, there has been most progress in providing cable supports and protection, removing dust and lint, and earthing equipment safely.
- There has been less progress with creating Single Line Diagrams - 16% of factories are yet to remediate this adequately.

FINANCING REMEDIATION

Article 31 of the International Accord requires signatory companies to 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 Chief Safety Officer. 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 (like guaranteed orders, advanced payments, or higher volumes), or through paying for renovations directly.

FIGURE 2.12 STATUS OF FINANCE REQUESTS

Factories may raise a request for financial support directly with their responsible signatory companies or via the Accord Secretariat, in which case the status of the finance request is reported on here.

		JUN 2022	SEP 2022	DEC 2022
FINANCE REQUESTS	Pending	8	10	10
	Resolved	73	74	76
	Currently referred to the Steering Committee	0	0	0
	Dismissed	54	55	58
	No longer applicable (factories closed, ineligible or relocated)	42	42	42
TOTAL	177	181	186	

KEY POINTS

- 186 factories currently covered by the Accord have at some point made a request for financial support.
- At present, 10 factory finance requests are currently being addressed. In 7 cases, the Accord Secretariat is working with the factory and responsible company signatories to facilitate discussions and agreement on commercial terms that will provide adequate support for the factory to cover its outstanding remediation costs. The remaining 3 finance requests cases are at the early stages of the process from arranging meetings to gathering information for brand-factory discussions.

FIGURE 2.13 STATUS OF FACTORY REMEDIATION FUND

From 2017 to 2020, the Accord signatories made a fund available to support remediation at covered factories meeting certain criteria. The Fund is disbursed in instalments subject to fulfilment of fund agreements with each factory, including verification of remediation progress. The International Accord Secretariat monitors the Factory Remediation Fund disbursement.

	MAR 2022	JUN 2022	SEP 2022	DEC 2022
Total funding committed	\$1,405,796	\$1,405,796	\$1,405,796	\$1,405,796
Total funding disbursed	\$1,083,722	\$1,091,987	\$1,091,987	\$1,091,987
% of funding disbursed	77%	78%	78%	78%

KEY POINTS

- In total, US\$1.4 million has been committed to pay for remediation of specific items at factories with fund agreements.
- To date, 78% of the committed fund has been disbursed, 10% of the committed funds will be disbursed in instalments as per the fund agreement with the relevant factories, and the 12% of remaining funds will not be disbursed due to factories breaching the terms of the fund agreements.

FIGURE 2.14 STATUS OF FUND AGREEMENTS

The Fund agreements specified which remediation items would be financed, such as:

- *Fire safety: installation of Fire Suppression Systems (water tanks, standpipe systems, sprinklers), Fire Pumps, and Fire Alarms; and completion of Fire Separation (including installation of fire doors).*
- *Electrical safety: installation of Lightning Protection Systems, adequate cabling and Earthing Systems, and development and utilisation of Single Line Diagrams.*
- *Structural safety: completion of structural remediation, including strengthening of columns, beams, foundations, slabs.*

	MAR 2022	JUN 2022	SEP 2022	DEC 2022
Factories granted remediation support through the Fund	21	21	21	21
100% fulfilment of agreement	5	6	6	6
Agreement on-going	10	7	7	7
Agreement terminated	6	8	8	8

KEY POINTS

- Of the 21 factories which were granted funding, 6 have completed the remediation works to be financed by the Fund and received the full grant (2 during the last quarter).
- 7 factories are still working on the remediation works to be financed by the Fund and so the agreement is still ongoing.
- 8 factories did not fulfil the remediation required under the terms of their fund agreement and this agreement has therefore been terminated. The factories associated with these agreements were No Brand factories.

FIGURE 2.15 REMEDIATION PROGRESS OF SAFETY ISSUES COVERED BY THE FUND AGREEMENTS

Remediation issues to be financed include:

- *Fire safety: installation of Fire Suppression Systems (water tanks, standpipe systems, sprinklers), Fire Pumps, and Fire Alarms; and completion of Fire Separation (incl. installation of fire doors)*
- *Electrical safety: installation of Lightning Protection Systems, adequate cabling and Earthing Systems, and development and utilisation of Single Line Diagrams*
- *Structural safety: completion of structural remediation, incl. strengthening of columns, beams, foundations, slabs*

	MAR 2022	JUN 2022	SEP 2022	DEC 2022
Remediation issues covered by FRF	40	35	34	34
Remediation issues verified as corrected	22	20	21	23
Remediation issues pending verification	6	8	2	4
Remediation issues in progress	12	7	11	7

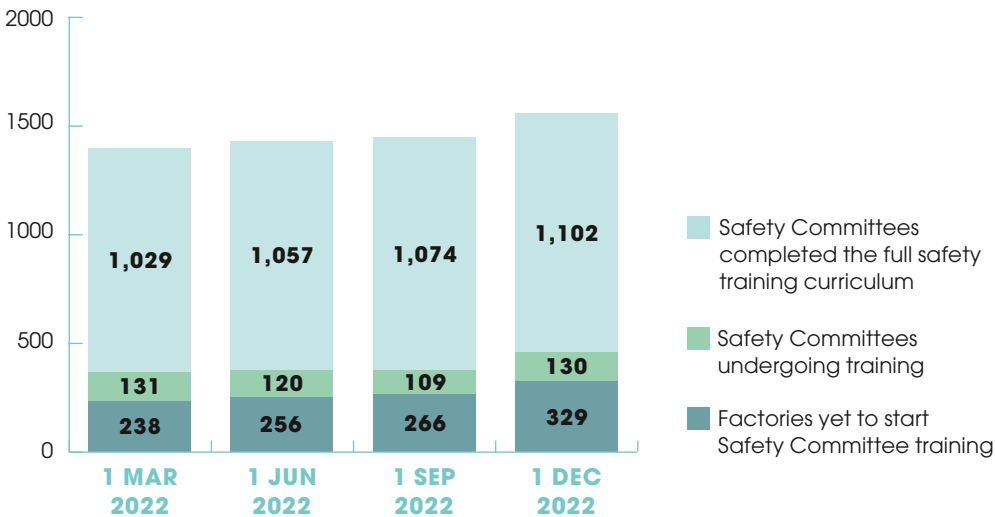
3. SAFETY COMMITTEE & SAFETY TRAINING PROGRAM

All Accord covered factories participate in a training program conducted by the RSC which includes a comprehensive 8-module curriculum for joint worker-management Safety Committees and three all-employee safety training sessions.

FIGURE 3.1 STATUS OF SAFETY COMMITTEE TRAINING PROGRAM AT COVERED FACTORIES

The Safety Committee training curriculum has 8 modules covering these topics:

- Role of a Safety Committee.
- Monitoring & preventing health & safety issues using accident reports and factory walk-throughs.
- Communicating about health & safety to all workers.
- Dealing with safety complaints.
- Freedom of association in relation to workplace safety.



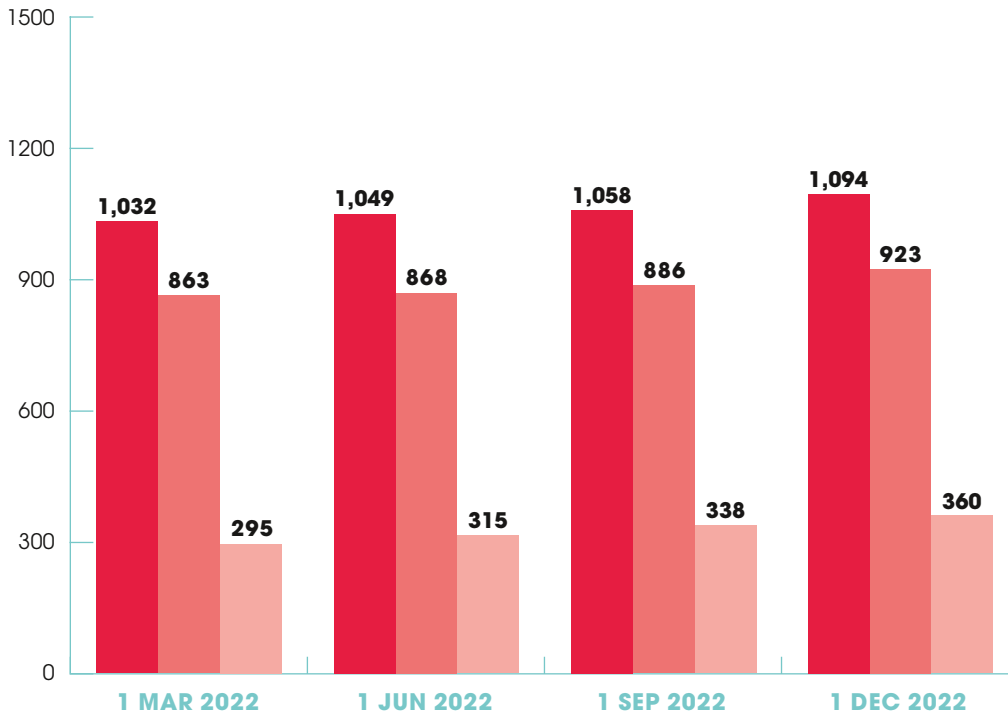
KEY POINTS

- With the factory extensions listed with the Accord in October 2022, there is an increase of factories waiting for the Safety Committee training to start, leaving 329 still to begin the program.
- 130 Safety Committees are undergoing the training program.
- 1,102 Safety Committees have completed their training and the RSC training team is still available to support those Committees where needed.

FIGURE 3.2 ALL EMPLOYEE MEETINGS TO INFORM WORKERS OF WORKPLACE SAFETY AT COVERED FACTORIES

After starting the Safety Committee training program, three all employee meetings are held at each factory to inform workers of key safety hazards and to advise how workers can participate in factory safety.

FACTORIES



- **All Employee Meeting 1:** Safe evacuation and safety hazards in RMG factories
TOTAL PARTICIPANTS: 01/12/22: 1,812,405 workers
- **All Employee Meeting 2:** Workers’ rights and responsibilities with respect to a safe workplace
TOTAL PARTICIPANTS: 01/12/22: 1,631,276 workers
- **All Employee Meeting 3:** Health hazards and the right to Freedom of Association in relation to health & safety
TOTAL PARTICIPANTS: 01/12/22: 848,008 workers

KEY POINTS

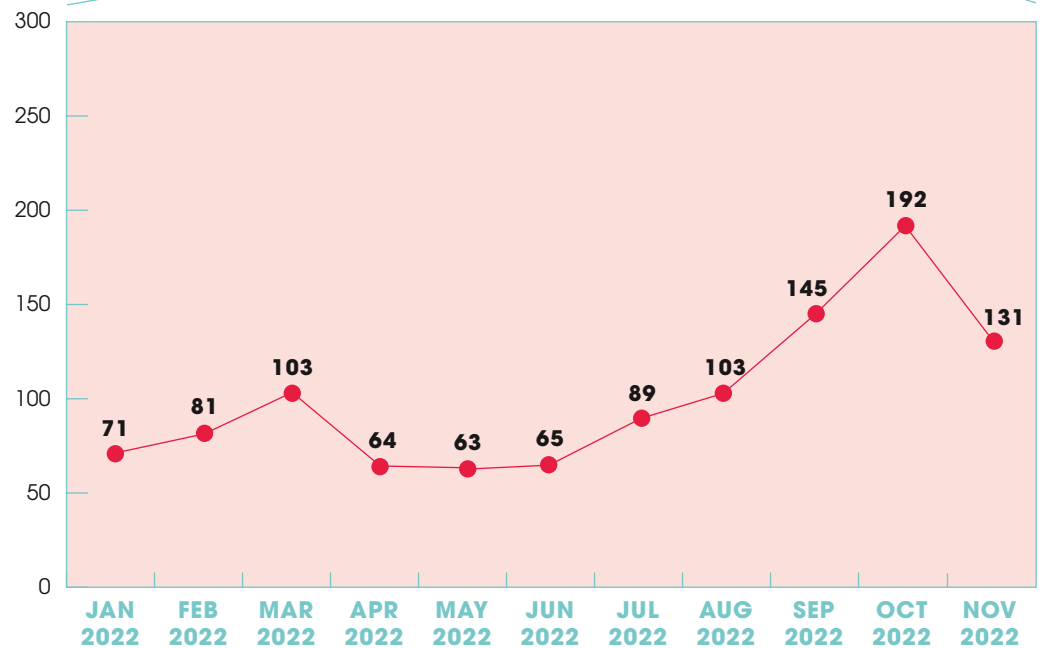
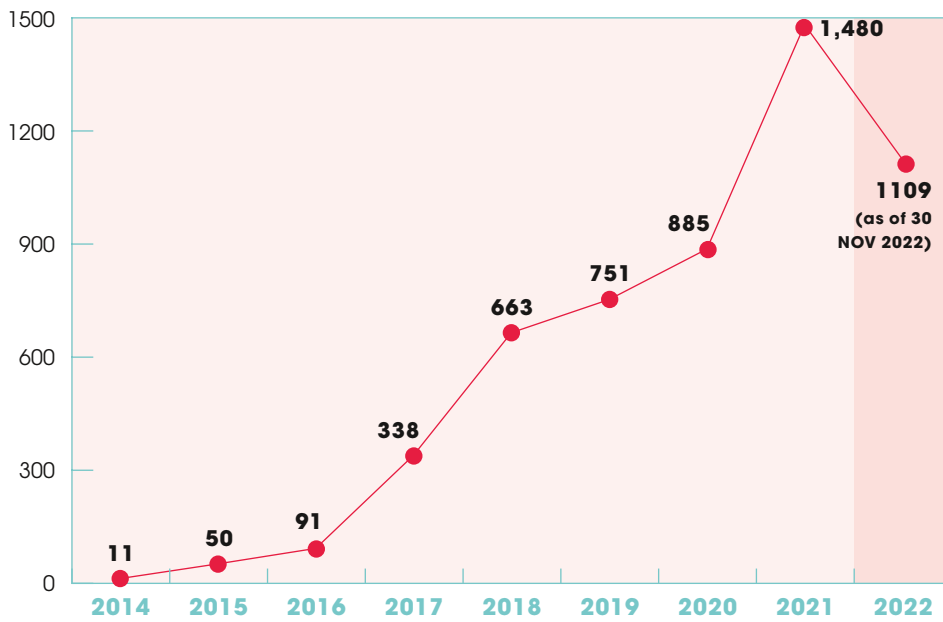
- To date, over 1.8 million workers at 1,094 Accord covered factories have participated in an all employee meeting regarding safe evacuation and common hazards in garment factories.
- The RSC training team continues to rollout the all employee meeting program and conducted sessions at 95 factories in the last quarter.

4. COMPLAINTS MECHANISM

Accord signatories are committed to providing a complaints mechanism for all workers in covered factories which ensures a safe and confidential process to raise safety concerns and have them resolved in a timely manner. The Complaints Mechanism is implemented by the RSC in Bangladesh.

FIGURE 4.1 COMPLAINTS FILED WITH ACCORD SIGNATORIES' COMPLAINTS MECHANISM

COMPLAINTS



KEY POINTS

- The number of complaints recorded monthly steeply increased to 192 in October 2022 and stabilised to 131 in November 2022.
- The number of complaints decreased by around 100 from 2021 to 2022.

FIGURE 4.2 NATURE OF COMPLAINTS RECEIVED TO DATE

The scope of the Complaints Mechanism is occupational safety and health (OSH). Where non-OSH complaints are raised, these are not investigated by the RSC but are forwarded to the company signatories sourcing from the factory concerned. In case of serious concerns, the RSC complaints handling team will notify the relevant authorities.

	MAR 2022	JUN 2022	SEP 2022	DEC 2022
Occupational Safety & Health (OSH)	1,753 (39%)	1816 (39%)	1,935 (39%)	2,066 (38%)
Non-OSH	2,793 (63%)	2941 (63%)	3,084 (63%)	3,430 (64%)
Total complaints (unique)	4,453	4,658	4,915	5,383

KEY POINTS

- To date, a total of 5,383 complaints have been raised through the Accord signatories' complaints mechanism.
- Around two thirds of all complaints are out of scope of the Accord signatories' complaints mechanism and are therefore not investigated but referred to the responsible company signatories.

FIGURE 4.3 NATURE OF OCCUPATIONAL SAFETY & HEALTH (OSH) COMPLAINTS

	MAR 2022	JUN 2022	SEP 2022	DEC 2022
Engineering (structural/fire/electrical safety)	196	203	210	218
Working environment (e.g. Covid-19 related, unsafe drinking water, excessive heat, workplace violence, forced overtime, denial of maternity pay/leave rights, sexual harassment)	1,545	1,613	1,710	1,830
Reprisal for having filed a complaint	40	41	45	48
Total OSH complaints (unique)	1,753	1,816	1,935	2,066

KEY POINTS

- The vast majority (89%) of OSH complaints are related to the working environment, whilst 11% relate to engineering issues such as building structure, fire safety or electrical safety concerns.
- In the last quarter, there were 120 complaints concerning working environment, 8 complaints concerning engineering issues, and 3 complaints alleging reprisal for having previously raised a complaint.

FIGURE 4.4 OCCUPATIONAL SAFETY & HEALTH (OSH) COMPLAINTS RECEIVED TO DATE: STATUS

	SEP 2022	DEC 2022
Resolved	885	922

KEY POINTS

- In the past quarter, 37 complaints have been resolved.

The categories used for closing complaints are under review so only partial data are provided in this Quarterly Report.

**FIGURE 4.5 COVID-19 RELATED COMPLAINTS RECEIVED TO DATE:
NATURE OF THE ALLEGATIONS**

	MAR 2022	JUN 2022	SEP 2022	DEC 2022
Retrenchment	40	41	37	37
Non-payment of separation from employment benefits	125	138	121	135
Non-payment of wages	57	61	61	63
Risks to health	36	40	39	39
Termination of employment	45	46	43	44
Forced resignation	40	43	41	43
Non-payment of maternity benefits	29	29	29	29
Under-payment of wages	18	23	31	31
Lay-off	10	11	10	10
Worker unrest	9	9	8	8
Threats	6	7	4	4
Unhygienic toilets	2	2	1	1
Physical abuse	3	3	2	2
Denial of sick pay	1	1	8	8
Number of distinct issues within Covid 19 complaints	421	454	421	454
Total unique Covid 19 complaints	302	310	314	333

KEY POINTS

- Covid-19 related complaints have continued to reduce and 9 unique Covid-19 complaints were logged in the past quarter, predominantly related to non-payment of separation from employment benefits.

5. NON-COMPLIANT SUPPLIERS

Factories which do not adequately participate in the safety programs required by Accord signatory companies will be given a notice and warning following the escalation procedure described in Article 30 of the International Accord and article 24q of the RSC. The escalation protocol and procedures are implemented by the RSC team in coordination with the Accord Secretariat.

The escalation procedure consists of three stages:

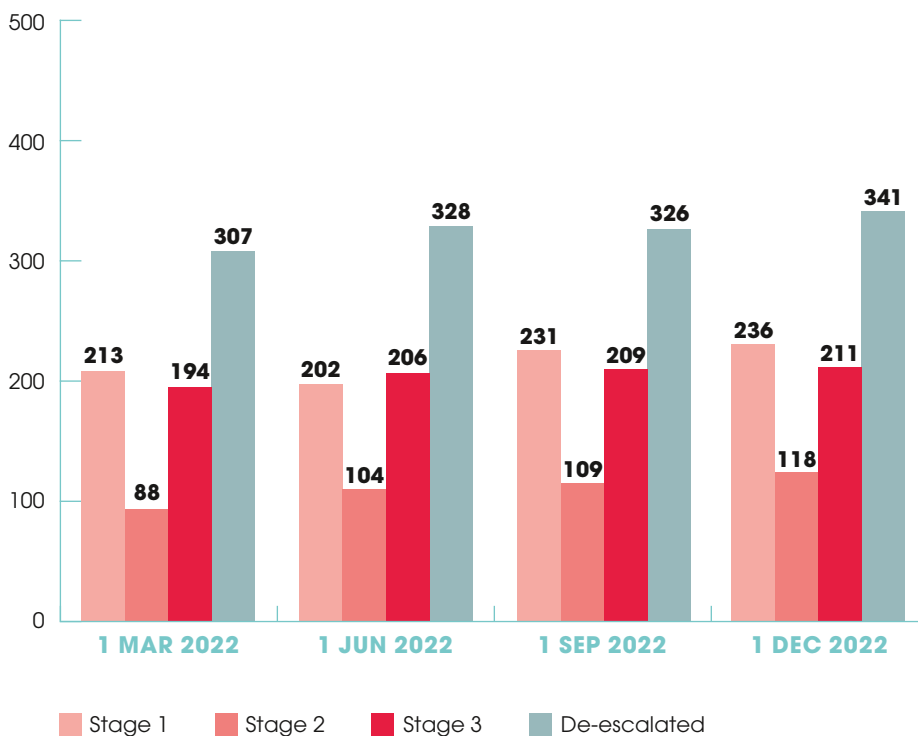
1. A notification of non-compliance;
2. A notice and warning letter followed by a meeting to discuss remediation; and
3. Termination of business relationship with signatory companies if the factory still fails to meet safety requirements within timelines set by the Chief Safety Officer.

Examples of factory non-compliance that trigger the escalation procedure include:

- A lack of significant progress in finalizing corrective action plans or completing required safety renovations;
- Refusal to resolve worker complaints on safety issues;
- Refusal to temporarily evacuate the factory in case of critical safety concerns.

Factories which resolve all non-compliances will be de-escalated.

FIGURE 5.1 STATUS OF NON-COMPLIANT FACTORIES IN ESCALATION



KEY POINTS

- In the last quarter, 9 factories were issued the stage 2 notice and warning letter for failure to participate in the safety programs.
- 2 factories were escalated to stage 3, meaning signatory companies will terminate their business relationship with those supplier factories.
- 15 factories were deescalated, meaning they have adequately resolved the non-compliances and are participating fully in the required safety programs.

PART 2

Update on feasibility studies for expansion of Accord safety programs to other countries

SUMMARY

Part 2 of this report provides an update on the International Accord's feasibility study regarding expansion of Accord programs to other countries. It outlines the following aspects of the feasibility study:

- Research & stakeholder engagement to inform feasibility study
- Steering Committee decisions related to expansion

1. FEASIBILITY STUDIES

In November, representatives from the Secretariat visited Pakistan to meet with stakeholders, namely, government officials, local industry associations, trade union partners and NGOs.

From 28 November to 9 December 2022, the Secretariat conducted pilot safety inspections at 7 factories in Karachi and Lahore with the assistance of international engineering firm, Ove Arup. The

objective of the pilot assessments was to gain first hand insight of safety conditions at different types of factory, understand potential remediation challenges, and explore how the Accord programs could best support factories to achieve and maintain health and safety standards. These safety assessments were conducted with reference to the Pakistan building codes and relevant international standards.

2. STEERING COMMITTEE DECISIONS RELATED TO EXPANSION

In late November, the Steering Committee began discussion and drafting of a Pakistan Accord agreement.