INTERNATIONAL ACCORD
QUARTERLY AGGREGATE **REPORT**

#1 2023

DATA AS OF 1 MARCH 2023

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

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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

FIGURE 1.1 **INITIAL INSPECTIONS AT COVERED FACTORIES**

Initial inspections assess fire, electrical and structural safety standards.

COVERED FACTORIES	SEP 2022	DEC 2022	MAR 2023
Factories with initial inspections completed	1,433	1,451	1,469
Factories to be scheduled for initial inspections	16	110	114
TOTAL COVERED FACTORIES	**1,449**	**1,561**	**1,583**
FACTORIES NO LONGER COVERED BY ACCORD			
Closed	226	235	243
Relocated	180	180	179
Made ineligible for business with Accord company signatories	215	217	227
No longer supplying Accord brands (still RSC covered)	259	253	240
Out of Accord scope	77	77	77
TOTAL FACTORIES INSPECTED BUT NO LONGER COVERED	**957**	**962**	**966**
TOTAL FACTORIES INSPECTED OR SCHEDULED FOR INITIAL INSPECTIONS SINCE 2013	**2,406**	**2,523**	**2,549**

KEY POINTS

- The number of factories supplying Accord company signatories increased by 22 this quarter, reaching 1,583 by March 2023.
- The RSC conducts initial inspections at newly listed factories. 114 factories were awaiting initial inspection as of 1 March 2023.
- 8 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.
- 10 factories were made ineligible to supply Accord company signatories in this quarter.
- Since the start of the Bangladesh Accord in 2013, a total of 966 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.

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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.

	SEPT 2022	DEC 2022	MAR 2023
Fire	10,876	11,192	11,395
Electrical	11,217	11,542	11,772
Structural	6,345	6,585	6,727
TOTAL	**28,438**	**29,319**	**29,894**

KEY POINTS

- RSC engineers conducted fire safety and electrical safety follow-up inspections at over 200 factories, and structural safety follow-up inspections at almost 150 factories from December 2022 to March 2023.

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.

	JUN 2022	SEPT 2022	DEC 2022	MAR 2023
Visit to prepare for testing & commissioning verification inspections	947	1,021	1,106	1,201
Initial testing & commissioning verification inspections	759	831	894	951
Final testing & commissioning verification inspections	159	198	218	243
Fire pump inspections (assessing remediation of negative suction issues)	238	238	240	240
TOTAL	**2,103**	**2,288**	**2,458**	**2,635**

KEY POINTS

- RSC fire engineers conducted around 180 targeted fire system inspections and visits from December 2022 to March 2023 to assess the installation status of fire alarm and fire suppression systems.

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.

	JUN 2022	SEPT 2022	DEC 2022	MAR 2023
Preliminary visual inspections	747	1,139	1,373	1,473
Internal inspections	-	-	2	8
Hydrostatic inspections	-	-	2	8
Functional inspections	-	-	0	5

KEY POINTS

- The RSC boiler safety team conducted 100 preliminary boiler safety inspections from December 2022 to March 2023.
- In this quarter, the RSC began the next stage of boiler inspections, conducting internal inspections in 6 factories, hydrostatic inspections in 6 factories and functional inspections in 5 factories.

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.

	JUN 2022	SEP 2022	DEC 2022	MAR 2023
Inspections in response to safety complaints	97	109	120	133
Inspections in response to a reported safety incident	81	100	100	107
TOTAL	**178**	**209**	**220**	**240**

KEY POINTS

- From December 2022 to March 2023, there were 13 inspections in response to safety complaints and 7 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.

	JUN 2022	SEP 2022	DEC 2022	MAR 2023
Temporary factory evacuations	82	84	85	85

KEY POINTS

- From December 2022 to March 2023, no 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 JUN 2022	92%
1 SEP 2022	92%
1 DEC 2022	92%
1 MAR 2023	92%

KEY POINTS

- The aggregate remediation rate did not change throughout 2022 and up to March 2023.

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

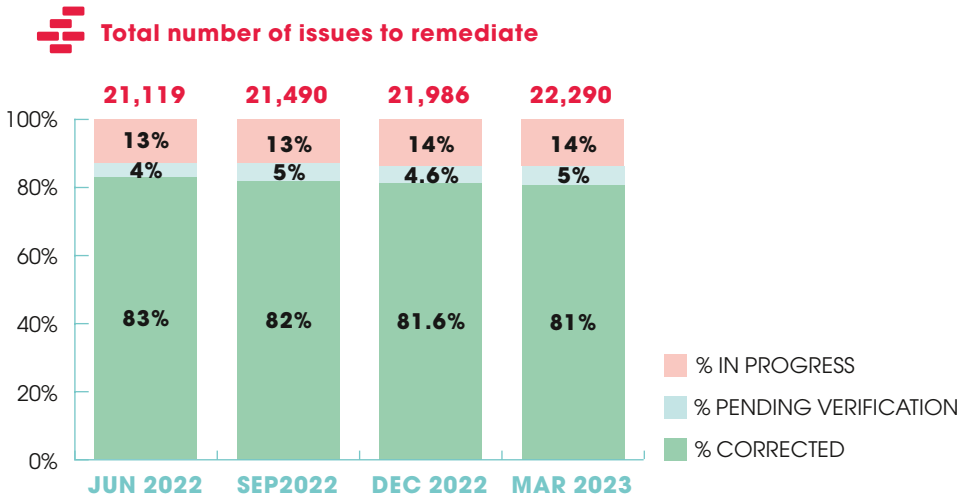
Year of initial inspection	Total factories with the initial inspection conducted that year	CAP behind schedule The CAP is in implementation but one or more timelines have not been met	CAP on track The CAP is in implementation and all timelines have so far been met	Initial CAP completed All issues identified in the initial inspections have been verified as corrected	CAP not implemented 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)	CAP not finalised/ no CAP The CAP is either incomplete or not yet approved	CAP N/A	Initial findings progress rate
2013	85	30	5	41	8	0	1	98%
2014	824	309	60	313	141	0	1	98%
2015	192	78	11	60	43	0	0	97%
2016	79	29	10	28	12	0	0	97%
2017	99	53	14	21	11	0	0	95%
2018	85	55	11	11	8	0	0	94%
2019	81	55	13	8	4	1	0	90%
2020	38	34	3	1	0	0	0	85%
2021	117	107	7	1	2	0	0	73%
2022	85	79	1	0	1	4	0	55%
2023	14	2	0	0	0	12	0	55%
TOTAL	**1699**	**831**	**135**	**484**	**230**	**17**	**2**	**92%**

KEY POINTS

- Around 28% (484) of all covered factories have completed the remediation required after their initial inspection.
- Around 50% (824) of all covered factories had their initial inspection in 2014. Of these, just over a third have completed their initial remediation, 17% became ineligible due to non-compliance with Accord requirements, and around half are still working on the remediation measures.
- 14 factories were inspected from the 1st of January to the 28th of February 2023. 12 of those are still to finalise their Corrective Action Plan.

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.
- The overall structural remediation rate has dropped further by 1% in the last quarter due to new factories being inspected.

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	
	DEC 2022	MAR 2023	DEC 2022	MAR 2023	DEC 2022	MAR 2023
Lack of management load plan	980	989	50	53	5%	5%
Inconsistency with building plan and drawings	1,040	1,050	72	76	7%	7%
Incorrect implementation of existing load management plan	889	890	42	42	5%	5%
Lack of design check against lateral load	728	732	66	68	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.

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.

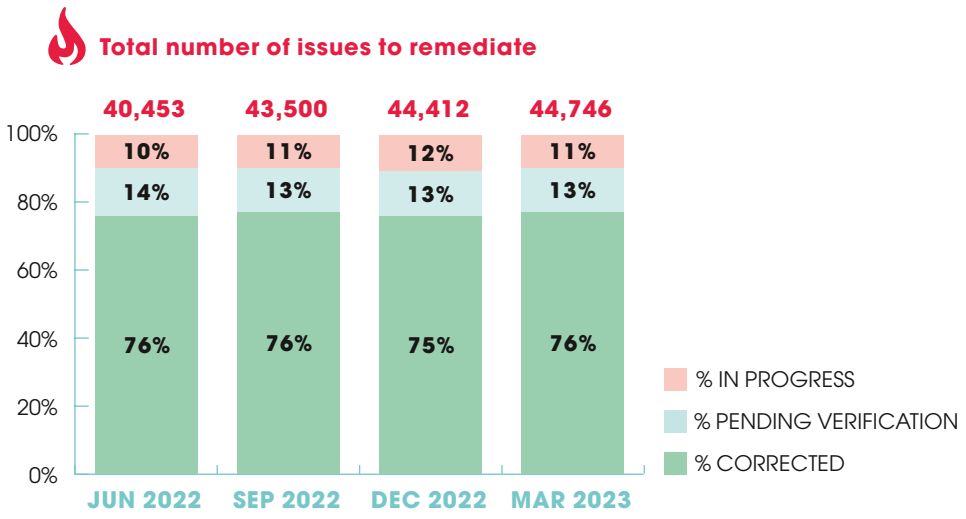
	JUN 2022	SEP 2022	DEC 2022	MAR 2023
Factories required to conduct a (D)EA	1,118	1,138	1,142	1,143
(D)EA accepted and verified	1,007	999	993	973
Factories with (D)EA outstanding	111	139	149	170

KEY POINTS

- 973 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 (1,143 of 1,583) were required to conduct an Engineering Assessment to check the structural integrity of the factory buildings.
- 15% 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	
	DEC 2022	MAR 2023	DEC 2022	MAR 2023	DEC 2022	MAR 2023
Lockable/collapsible gates	1,243	1,230	8	10	0,6%	0,8%
Inadequate egress lighting	1,279	1,265	53	45	4%	4%
Lack of fire separation in hazardous areas	1,195	1,181	80	80	7%	7%
Non-compliant exit stair openings	1,282	1,268	172	160	13%	13%
Storage in means of egress	1,158	1,143	24	22	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 10 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	JUN 2022	SEP 2022	DEC 2022	MAR 2023
All safe egress measures verified as corrected	585	617	638	647
At least one finding related to safe egress pending verification and no finding outstanding	438	416	392	381
At least one finding related to safe egress outstanding	163	152	163	167

KEY POINTS

- 54% (647) 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.
- 32% (381) of Accord covered factories have implemented safe egress measures which are pending RSC verification.
- 14% (167) 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.

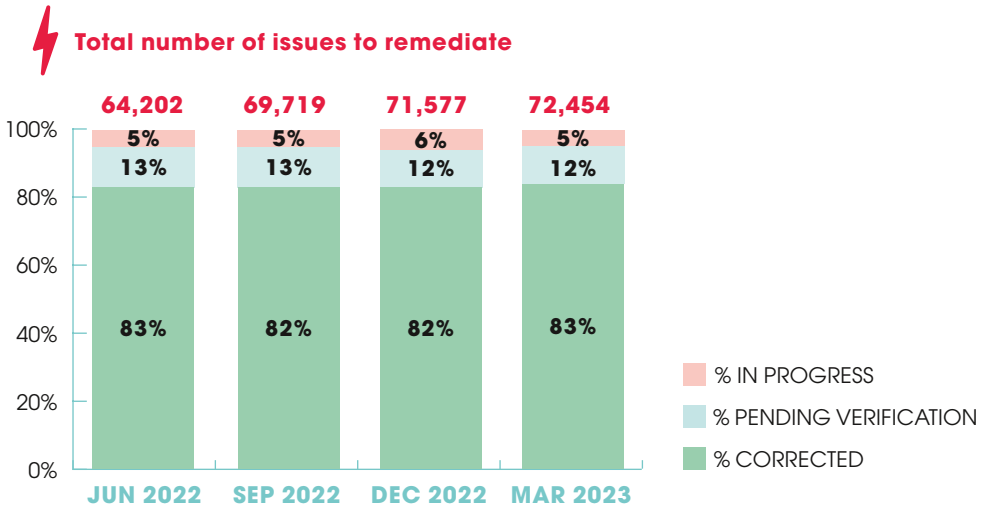
FINDING	Fire Alarm and Detection system (FADS)		Fire Suppression system (SUPS)	
	DEC 2022	MAR 2023	DEC 2022	MAR 2023
Factories where FADS/SUPS is required	1,437	1,451	1,158	1,198
Fire system verified as installed to standard and fully functional	423	428	277	288
Fire system installation or verification outstanding	1,014	1,023	881	910

KEY POINTS

- Only 29% (428) of factories which need to install a fire alarm & detection system have completed installation and had it verified by the Accord/RSC.
- Only 24% (288) 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.



KEY POINTS

- Electrical remediation has progressed further than fire or structural remediation, with only 6% of issues outstanding.

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	
	DEC 2022	MAR 2023	DEC 2022	MAR 2023	DEC 2022	MAR 2023
Lack of cable support and protection	856	851	11	13	1%	2%
Lack of Lightning Protection system (LPS)	817	811	37	37	5%	5%
No Single Line Diagram (SLD)	810	804	126	122	16%	15%
Inadequate circuit breakers	745	740	31	32	4%	4%
Hazardous accumulation of dust and lint on electrical equipment	730	726	1	2	0.1%	0.3%
Unsafe earthing equipment	678	675	1	1	0.1%	0.1%

KEY POINTS

- The electrical safety issues above were found at 50-60% of factories. There has been a decrease in the number of factories where 6 of most common electrical findings were identified. This is likely due to certain factories not getting covered by the Accord/RSC any longer.
- In the past quarter, there has been an increase of factories with outstanding lack of cable support and protection.
- 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 - 15% 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.

		SEP 2022	DEC 2022	MAR 2023
FINANCE REQUESTS	Pending	10	10	14
	Resolved	74	76	76
	Currently referred to the Steering Committee	0	0	0
	Dismissed	55	58	58
	No longer applicable (factories closed, ineligible or relocated)	42	42	42
TOTAL		**181**	**186**	**190**

KEY POINTS

- 190 factories currently covered by the Accord have at some point made a request for financial support.
- At present, 14 factory finance requests are currently being addressed. In 9 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 5 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.

	JUN 2022	SEP 2022	DEC 2022	MAR 2023
Total funding committed	$1,405,796	$1,405,796	$1,405,796	$1,405,796
Total funding disbursed	$1,091,987	$1,091,987	$1,091,987	$1,140,149
% of funding disbursed	78%	78%	78%	81%

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, 81% of the committed fund has been disbursed, 5% of the committed funds will be disbursed in instalments as per the fund agreement with the relevant factories, and the 14% 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.*

	JUN 2022	SEP 2022	DEC 2022	MAR 2023
Factories granted remediation support through the Fund	21	21	21	21
100% fulfilment of agreement	6	6	6	8
Agreement on-going	7	7	7	4
Agreement terminated	8	8	8	9

KEY POINTS

- Of the 21 factories which were granted funding, 8 have completed the remediation works to be financed by the Fund and received the full grant.
- 4 factories are still working on the remediation works to be financed by the Fund and so the agreement is still ongoing.
- 9 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*

	JUN 2022	SEP 2022	DEC 2022	MAR 2023
Remediation issues covered by FRF	35	34	34	32
Remediation issues verified as corrected	20	21	23	24
Remediation issues pending verification	8	2	4	5
Remediation issues in progress	7	11	7	3

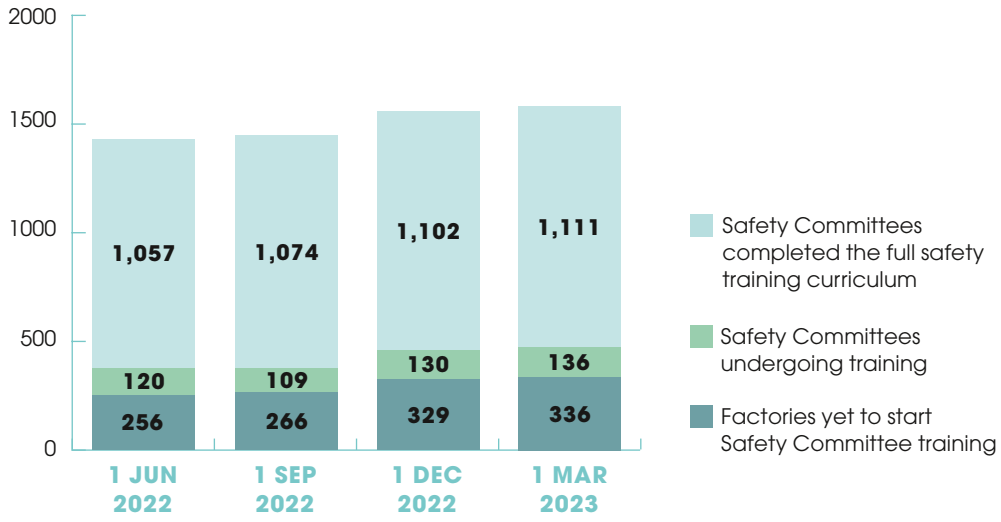
3. SAFETY COMMITTEE & SAFETY TRAINING PROGRAM

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

- In the past quarter, there is an increase of 7 factories waiting for the Safety Committee training to start, leaving 336 still to begin the program.
- 136 Safety Committees are undergoing the training program.
- 1,111 Safety Committees have completed their training and the RSC training team is still available to support those Committees where needed.

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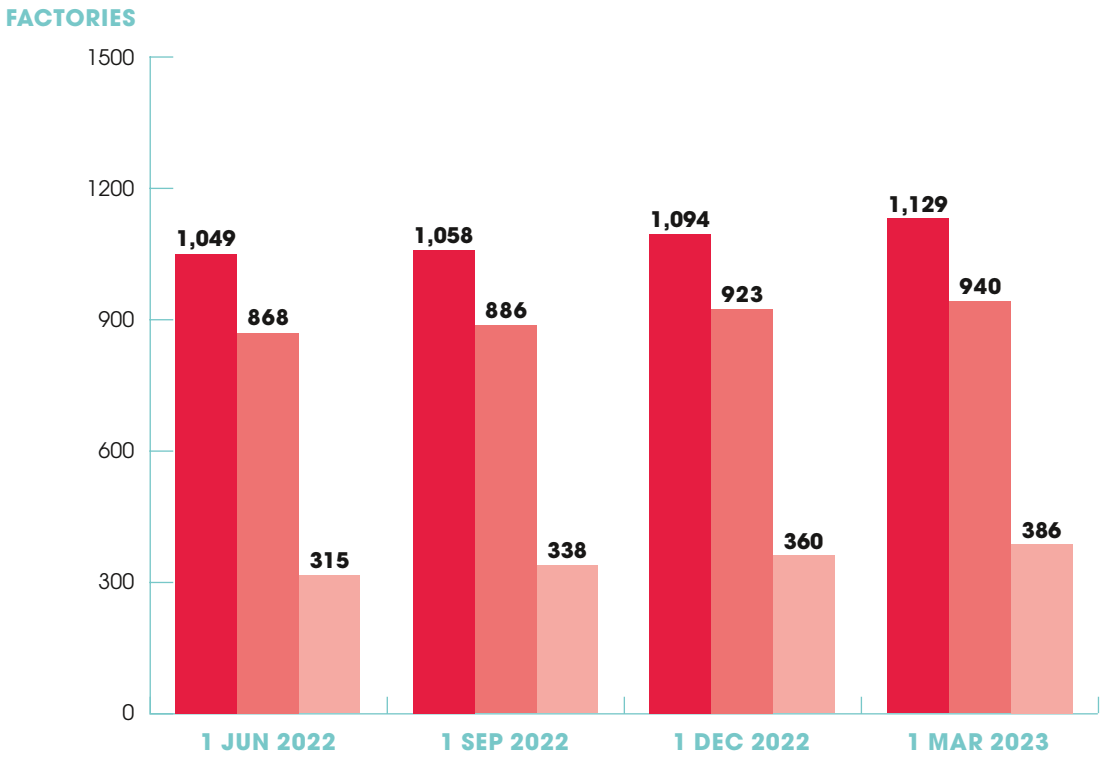
FIGURE 3.2 ALL EMPLOYEE MEETINGS TO INFORM WORKERS OF WORKPLACE SAFETY AT COVERED FACTORIES

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.



All Employee Meeting 1: Safe evacuation and safety hazards in RMG factories

TOTAL PARTICIPANTS: 01/03/23: 1,851,061 workers

All Employee Meeting 2: Workers' rights and responsibilities with respect to a safe workplace

TOTAL PARTICIPANTS: 01/03/23: 1,652,514 workers

All Employee Meeting 3: Health hazards and the right to Freedom of Association in relation to health & safety

TOTAL PARTICIPANTS: 01/03/23: 889,630 workers

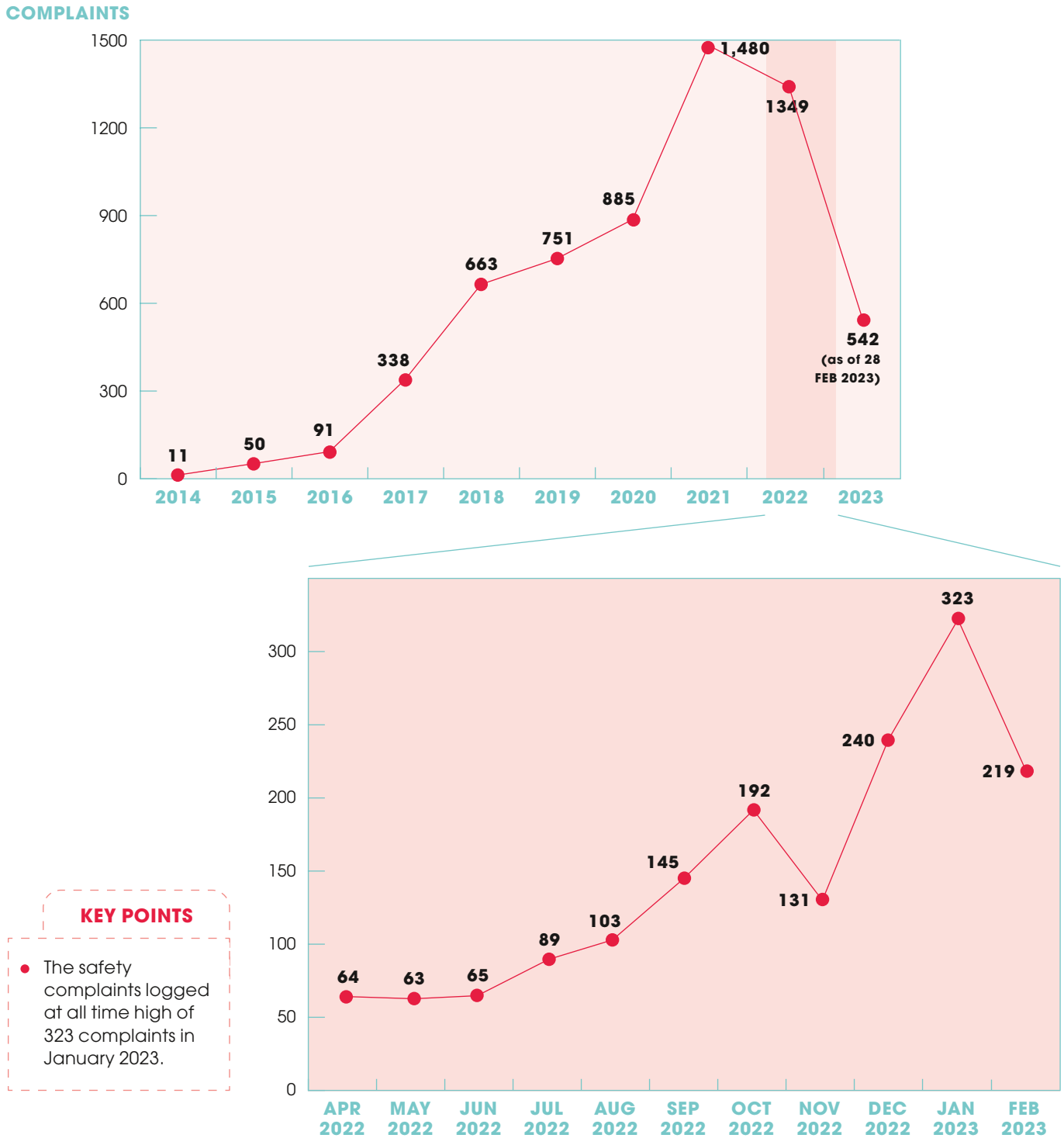
KEY POINTS

- To date, over 1.8 million workers at 1,129 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 78 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



KEY POINTS

- The safety complaints logged at all time high of 323 complaints in January 2023.

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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.

	JUN 2022	SEP 2022	DEC 2022	MAR 2023
Occupational Safety & Health (OSH)	1816 (39%)	1,935 (39%)	2,066 (38%)	2,205 (36%)
Non-OSH	2941 (63%)	3,084 (63%)	3,430 (64%)	4,079 (66%)
Total complaints (unique)	**4,658**	**4,915**	**5,383**	**6,165**

KEY POINTS

- To date, a total of 6,165 complaints have been raised through the Accord signatories' complaints mechanism.
- The number of non-OSH complaints has increased significantly in the past quarter resulting in more than 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

	JUN 2022	SEP 2022	DEC 2022	MAR 2023
Engineering (structural/fire/electrical safety)	203	210	218	230
Working environment (e.g. Covid-19 related, unsafe drinking water, excessive heat, workplace violence, forced overtime, denial of maternity pay/leave rights, sexual harassment)	1,613	1,710	1,830	1,954
Reprisal for having filed a complaint	41	45	48	51
Total OSH complaints (unique)	**1,816**	**1,935**	**2,066**	**2,205**

KEY POINTS

- The vast majority (89%) of OSH complaints are related to the working environment, whilst 10% relate to engineering issues such as building structure, fire safety or electrical safety concerns.
- In the last quarter, there were 124 complaints concerning working environment, 12 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	MAR 2023
Resolved	885	922	964

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

KEY POINTS

- In the past quarter, 42 complaints have been resolved.

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

	JUN 2022	SEP 2022	DEC 2022	MAR 2023
Retrenchment	41	37	37	37
Non-payment of separation from employment benefits	138	121	135	143
Non-payment of wages	61	61	63	66
Risks to health	40	39	39	39
Termination of employment	46	43	44	44
Forced resignation	43	41	43	43
Non-payment of maternity benefits	29	29	29	29
Under-payment of wages	23	31	31	35
Lay-off	11	10	10	10
Worker unrest	9	8	8	8
Threats	7	4	4	4
Unhygienic toilets	2	1	1	1
Physical abuse	3	2	2	2
Denial of sick pay	1	8	8	8
Number of distinct issues within Covid 19 complaints	**454**	**421**	**454**	**469**
Total unique Covid 19 complaints	**310**	**314**	**333**	**345**

KEY POINTS

- In the past quarter, the number of Covid-19 related complaints increased slightly to 12 complaints.

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:

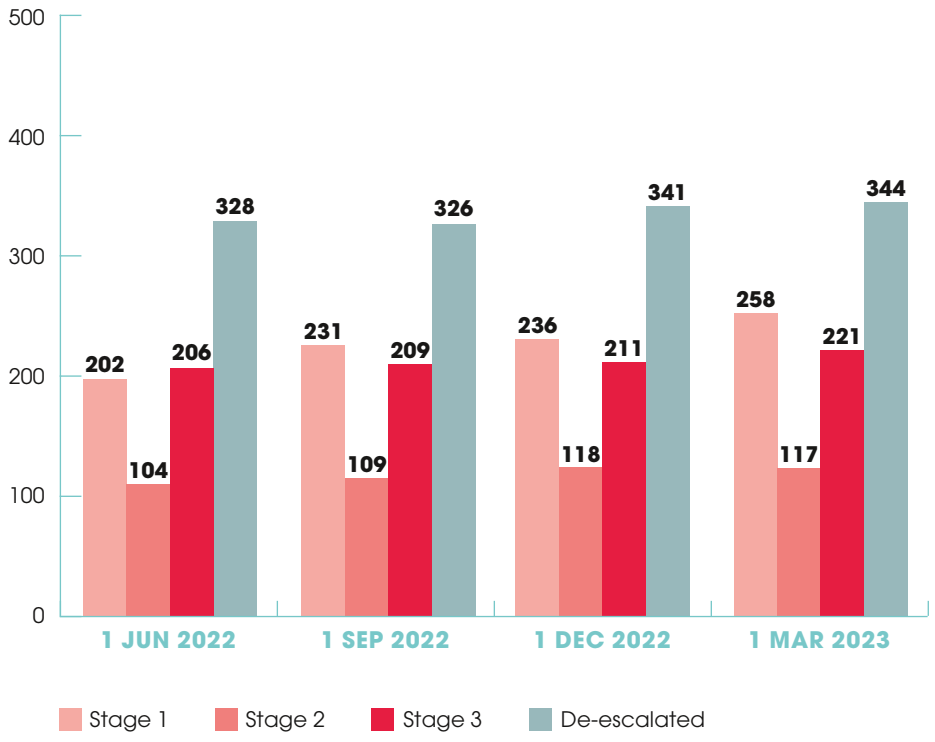
1. A notification of non-compliance;
2. A notice and warning letter followed by a meeting to discuss remediation; and
3. Termination of business relationship with signatory companies if the factory still fails to meet safety requirements within timelines set by the Chief Safety Officer.

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, the number of factories in stage 2 escalation decreased by 1, leaving it at 117.
- 10 factories were escalated to stage 3, meaning signatory companies will terminate their business relationship with those supplier factories.
- 3 factories were de-escalated, meaning they have adequately resolved the non-compliances and are participating fully in the required safety programs.

International ACCORD

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

The Steering Committee announced the decision to expand to Pakistan on 14 December 2022 during a signatory brand caucus meeting. The signatory companies of the International Accord could sign the Pakistan Accord from 16 January 2023.

In January 2023, representatives from the Secretariat and the Steering Committee visited Pakistan to meet with industry associations, the Punjab and Sindh governments, the EU missions (German, Swedish and Dutch), EU GSP+ Delegation and ILO Better Work. Two events for suppliers to Accord signatories were organised in Karachi and Lahore in which over 240 and 140 people were present respectively.

In February, a detailed pilot safety assessment report was sent to each factory that participated in the Pakistan pilot in November and December.

In February, the Secretariat attended an OECD side session organised by IndustriAll in Morocco at which the Secretariat engaged with stakeholders from the Moroccan garment and textile industry.

2. STEERING COMMITTEE DECISIONS RELATED TO EXPANSION

In this quarter, the Steering Committee met in December 2022, January 2023 and February 2023, and agreed on the following:

- The Pakistan Accord will cover Ready-Made Garment (RMG), home textile, fabric and knit accessories suppliers and integrated facilities. Fabric mills will also be covered subject to Steering Committee decision on how to implement Accord programs with fabric mills at a later date. The program will be implemented through a phased approach based on safety risk level and the nature of business relationship between signatories and their suppliers. A fee structure based on export value and factory numbers was agreed for signatories to the Pakistan Accord.
- The feasibility studies for the other priority countries will continue. The Steering Committee agreed for the Secretariat to conduct 1 to 2 trips per priority country to maintain stakeholder engagement as part of the ongoing feasibility study.

International ACCORD