

# INTERNATIONAL ACCORD QUARTERLY AGGREGATE REPORT

# #2 2023

DATA AS OF 1 JUNE 2023

## INTRODUCTION

The International Accord publishes this Quarterly Aggregate Report (QAR) to inform its stakeholders of safety conditions and progress across all factories covered by its health and safety programs in Bangladesh and Pakistan. In doing so, the QAR provides an update on the key developments under each of the three main Accord programs:

- Inspections and Remediation
- Safety Training and Safety Committees
- Complaints Mechanism

The transparency and reporting commitments of Accord signatories are outlined in Article 28 of the International Accord and include a provision to publish QARs that summarise both aggregated industry compliance data as well as a detailed review of findings, remedial recommendations, and progress on remediation and safety training for all covered factories to date.

The reporting cycle for the QARs is April to June, July to September, October to December, and January to March. In June 2022, we revised the reporting format 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](mailto: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 latest developments under the International Accord's new Safety Program in Pakistan.

The Accord has published QARs since February 2016. The most recent reports are available online at [www.internationalaccord.org](http://www.internationalaccord.org).

An archive of earlier reports published by the Bangladesh Accord remain available on the Bangladesh Accord website or upon request from [contact@internationalaccord.org](mailto:contact@internationalaccord.org).

# Progress of Safety Programs Implemented by the RMG Sustainability Council (RSC) 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 at all factories supplying Accord signatory companies:

- 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 & REMEDIATION PROGRESS

**FIGURE 1.1 INITIAL INSPECTIONS AT COVERED FACTORIES**

Initial inspections assess fire, electrical and structural safety<sup>1</sup> standards at covered factories.

COVERED FACTORIES	1 DEC 2022	1 MAR 2023	1 JUN 2023
Factories with initial inspections completed	1,451	1,469	1,486
Factories to be scheduled for initial inspections	110	114	163
<b>TOTAL COVERED FACTORIES</b>	<b>1,561</b>	<b>1,583</b>	<b>1,649</b>
<b>FACTORIES NO LONGER COVERED</b>			
Closed	235	243	249
Relocated	180	179	180
Ineligible for business with Accord signatories <sup>2</sup>	217	227	233
No longer supplying for Accord brands (but still covered by the RSC)	253	240	232
Out of Accord scope <sup>3</sup>	77	77	77
<b>TOTAL FACTORIES INSPECTED BUT NO LONGER COVERED</b>	<b>962</b>	<b>966</b>	<b>971</b>
<b>TOTAL FACTORIES INSPECTED OR SCHEDULED FOR INITIAL INSPECTIONS SINCE 2013</b>	<b>2,523</b>	<b>2,549</b>	<b>2,620</b>

### KEY POINTS

- The number of factories supplying Accord signatory companies increased by 66 this quarter, reaching 1,649 by June 2023. 1,486 have received an initial inspection.
- A total 163 newly listed factories were awaiting an initial inspection by the RSC as of 1 June 2023.
- Six factories closed during the last quarter. The RSC has verified these facilities no longer produce for Accord signatories and will stop monitoring the facilities concerned.
- Three factories were made ineligible to produce for Accord signatory companies in this quarter. A factory is made ineligible if it fails to fully participate in the health and safety programs and other non-compliance related issues. The jump from 227 to 233 is due to a data error in the past quarter.
- Since 2013, 2,453 factories have received initial inspections on fire, electrical, structural and boiler safety by Accord/RSC engineers.
- Since the start of the Bangladesh Accord in 2013, a total of 971 factories have been inspected by the Accord or RSC but are no longer covered due to various reasons. These reasons include closure, relocation, ineligibility to supply signatory companies due to failure to participate in Accord programs, or the product type not falling within the scope of the Accord.

1. Boiler safety inspections are not included in initial inspections because they were introduced later in the in the program. Please see figure 1.4 on boiler safety inspection for additional details.

2. Excluding factories with no Initial Inspection.

3. Factories with production processes not covered by the Accord (non CMT, or CMT integrated facilities).

## FIGURE 1.2 FOLLOW-UP INSPECTIONS AT COVERED FACTORIES TO DATE

Follow-up inspections assess remediation progress at covered factories that received initial safety inspections. The progress is captured within factory-specific Corrective Action Plans (CAPs) and published on the Accord and RSC websites.

	1 DEC 2022	1 MAR 2023	1 JUN 2023
Fire	11,192	11,395	11,525
Electrical	11,542	11,772	11,918
Structural	6,585	6,727	6,819
<b>TOTAL</b>	<b>29,319</b>	<b>29,894</b>	<b>30,262</b>

### KEY POINTS

- RSC engineers conducted fire safety and electrical safety follow-up inspections at over 130 factories, and structural safety follow-up inspections at nearly 100 factories between 2 March 2023 to 1 June 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 installation of fire alarm and fire suppression systems.

	1 SEP 2022	1 DEC 2022	1 MAR 2023	1 JUN 2023
Visit to prepare for testing & commissioning verification inspections	1,021	1,106	1,201	1,273
Initial testing & commissioning verification inspections	831	894	951	983
Final testing & commissioning verification inspections	198	218	243	265
Fire pump inspections (to assess remediation of negative suction issues)	238	240	240	241
<b>TOTAL</b>	<b>2,288</b>	<b>2,458</b>	<b>2,635</b>	<b>2,762</b>

### KEY POINTS

- RSC fire engineers conducted 127 targeted fire system inspections and visits between 2 March 2023 to 1 June 2023 to assess the installation status of fire alarm and fire suppression systems.
- The testing and commissioning verification inspections are to address FADS and SUPS issues.

## 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 since trained a team of engineers to conduct boiler inspections in three stages: first, a preliminary visual inspection; second, a hydrostatic pressure test and an internal inspection and third, an external inspection including a functional test.

	1 SEP 2022	1 DEC 2022	1 MAR 2023	1 JUN 2023
Visual boiler safety inspections	1,139	1,373	1,473	1,649*
Internal inspections	-	2	8	29
Hydrostatic inspections	-	2	8	28
Functional inspections	-	0	5	18

### KEY POINTS

- RSC engineers conducted 176 preliminary boiler safety inspections between 2 March 2023 to 1 June 2023.
- As of 1 June 2023, the RSC has conducted internal boiler inspections at two factories, hydrostatic inspections at 28 factories, and functional inspections in 18 factories.

4. Factories of all statuses

### FIGURE 1.5 INSPECTIONS IN RESPONSE TO SAFETY COMPLAINTS AND INCIDENTS

The Complaints Mechanism in Bangladesh is managed by the RSC. RSC engineers conduct factory inspections in response to complaints raised about fire, structural, electrical and boiler safety. These inspections assess the complaint and, where necessary, include advise on remediation. If a safety incident at a factory is reported through a different channel<sup>5</sup>, the RSC engineers conduct a post-incident inspection to assess the cause of the incident and advise on necessary remediation.

	1 SEP 2022	1 DEC 2022	1 MAR 2023	1 JUN 2023
Inspections in response to safety complaints	109	120	133	147
Inspections in response to a reported safety incident	100	100	107	113
<b>TOTAL</b>	<b>209</b>	<b>220</b>	<b>240</b>	<b>260</b>

#### KEY POINTS

- From 2 March 2023 to 1 June 2023, there were 14 inspections in response to safety complaints and six post-incident inspections.

### FIGURE 1.6 FACTORIES REQUIRING TEMPORARY EVACUATIONS

When RSC engineers identify hazards posing critical safety concerns during inspections, they apply the RSC's Critical Findings Protocol. Depending on the situation, applying this protocol may lead to a temporary evacuation at the factory. Accord Article 18 requires signatory companies and their suppliers to ensure worker wages during any factory closure necessary for remediation.

	1 SEP 2022	1 DEC 2022	1 MAR 2023	1 JUN 2023
Temporary factory evacuations	84	85	85	87

#### KEY POINTS

- Since 2013, 87 factories have been temporarily evacuated due to critical safety findings.
- Between March 2023 to June 2023, two factories were temporarily evacuated due to critical safety concerns.
- The main causes for these temporary evacuations are cracks found in columns and walls and findings identified during post-fire incident inspections.

5. Examples of these channels may include the factory management and news reports.

## 2. REMEDIATION

**FIGURE 2.1 AVERAGE REMEDIATION PROGRESS ON SAFETY ISSUES IDENTIFIED DURING INITIAL INSPECTIONS AT COVERED FACTORIES**

1 SEP 2022	92%
1 DEC 2022	92%
1 MAR 2023	92%
1 JUN 2023	92%

### KEY POINTS

- The aggregate remediation rate among covered factories in Bangladesh did not change throughout the first half of 2023. This unchanged remediation rate and progress may be attributed to the slow progress on certain big CAP items that are time consuming and costly to remediate.
- As of 1 June 2023, 1,194 factories have a remediation rate above 90%.

**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 <sup>6</sup>	CAP on track <sup>7</sup>	Initial CAP completed <sup>8</sup>	CAP not implemented <sup>9</sup>	CAP not finalised/ no CAP <sup>10</sup>	CAP N/A	Initial Progress Rate
2013	84	27	8	41	8	0	0	99%
2014	825	315	48	319	142	0	1	98%
2015	191	71	12	64	44	0	0	98%
2016	77	28	8	29	12	0	0	97%
2017	99	52	13	23	11	0	0	96%
2018	85	50	15	12	8	0	0	94%
2019	81	61	7	8	4	1	0	90%
2020	38	33	4	1	0	0	0	87%
2021	117	103	11	1	2	0	0	75%
2022	85	83	0	0	2	0	0	57%
2023	37	19	0	0	0	18	0	37%
No first inspection date	165	0	0	0	2	163	0	0%
<b>TOTAL</b>	<b>1,884</b>	<b>842</b>	<b>126</b>	<b>498</b>	<b>235<sup>11</sup></b>	<b>182</b>	<b>1</b>	<b>92%</b>

### KEY POINTS

- Approximately 26% (498) of all covered factories have completed the remediation required after their initial inspection.
- Approximately 45% (842) of all covered factories have a CAP behind schedule designation due to not remediating items within the timelines identified in their CAPs.
- 12% of the factories became ineligible due to non-compliance with Accord requirements, and less than half are still working on the remediation measures identified during initial inspections.
- 37 factories were inspected between 1 January to 31 May 2023. Out of these, 18 factories are yet to finalise their CAPs before remediation starts.

6. The CAP is in implementation but one or more timelines have not been met.

7. The CAP is in implementation and all timelines have so far been met.

8. All issues identified in the initial inspections have been verified as corrected.

9. 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).

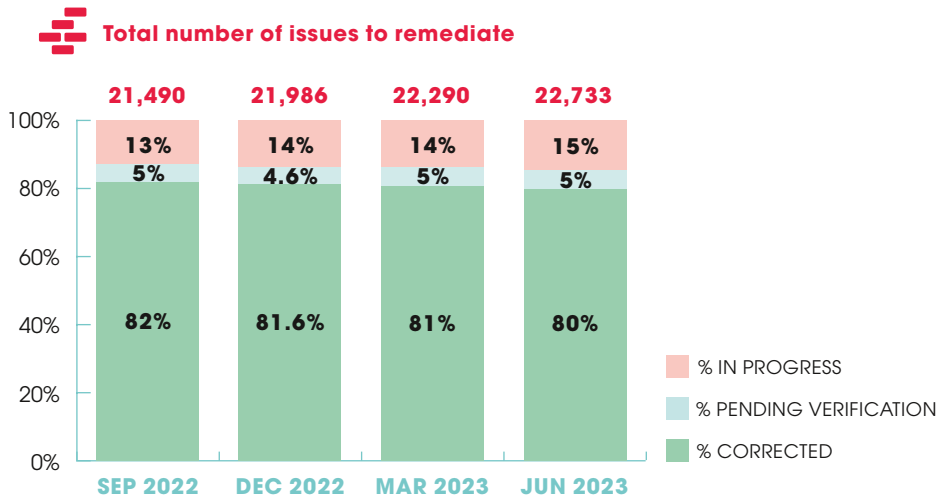
10. The CAP is either incomplete or not yet approved.

11. The number of CAP not implemented factories are higher than Ineligible factories (233) in figure 1.1 because it includes factories that were escalated due to refusal to entry.

**KEY POINTS**

**FIGURE 2.3 STRUCTURAL REMEDIATION STATUS**

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



- 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 DEAs.
- The structural items that are commonly found are lack of load management plan, inconsistency between building plan and drawings, incorrect implementation of existing load management plan, and lack of design check against lateral load.
- The overall structural remediation rate dropped further by 1% in the last quarter due to a rise in number of factories being inspected.

**FIGURE 2.4 STATUS OF MOST COMMON STRUCTURAL FINDINGS**

FINDING	No. of covered factories where the finding was identified			No. of covered factories where the finding is still outstanding		
	DEC 2022	MAR 2023	JUN 2023	DEC 2022	MAR 2023	JUN 2023
Lack of management load plan	980	989	874	50 (5%)	53 (5%)	55 (6%)
Inconsistency with building plan and drawings	1,040	1,050	1,013	72 (7%)	76 (7%)	142 (14%)
Incorrect implementation of existing load management plan	889	890	832	42 (5%)	42 (5%)	67 (8%)
Lack of design check against lateral load	728	732	724	66 (9%)	68 (9%)	125 (17%)

**KEY POINTS**

- The structural safety issues above were found at half or more of the inspected factories. The majority of factories have addressed these issues and between 6%-17% of factories are yet to remediate adequately.
- The decrease in the number of factories from March and June where the finding was identified can be explained by factories no longer being covered by the Accord/RSC.
- The four most common issues found in factories throughout the quarter has increased. The increase in percentage of factories that have yet to remediate these items is explained by new factories getting inspected, new issues being found, uncategorised issues being categorised in the past quarter and pending verification items going back to in progress after a follow-up inspection is conducted.

## FIGURE 2.5 STATUS OF DETAILED ENGINEERING ASSESSMENTS

Factories requiring a Detailed Engineering Assessment (DEA) have to commission a qualified engineering firm to conduct the inspection and then submit the documentation to the RSC for acceptance and verification during an on-site inspection. The status of the DEA may become outstanding again if the building structure is altered at a later stage, even when a DEA has been accepted previously.

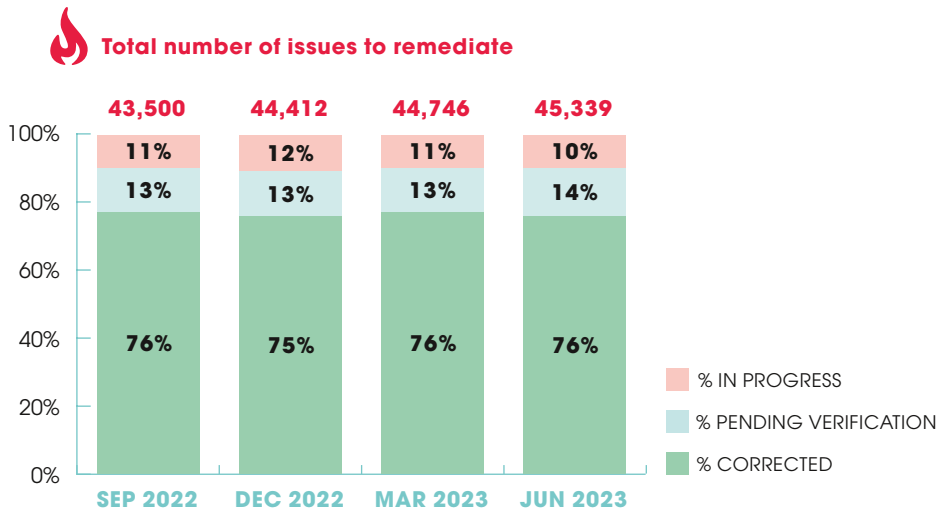
	SEP 2022	DEC 2022	MAR 2023	JUN 2023
Covered Factories required to conduct a DEA	1,138	1,142	1,143	1,136
DEA accepted and verified	999	993	973	1,042
Factories with DEA outstanding	139	149	170	94

### KEY POINTS

- Around three quarters of covered factories (1,136 of 1,649) were required to conduct a DEA to check the structural integrity of their buildings.
- 1,042 factories currently have an accepted and verified DEA.
- 8% 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 fire alarm systems and fire suppression systems.



### KEY POINTS

- Compared to structural and electrical safety issues, a relatively high percentage of fire safety issues are pending verification. This means that the RSC is yet to verify if these safety issues have been properly addressed and corrected.
- The fire items that are commonly found are lockable/collapsible gates, inadequate egress lighting, lack of fire separation in hazardous areas, non-compliant exit stair openings, and storage in means of egress.
- The overall fire remediation rate has been steady over the last quarter.

**FIGURE 2.7 STATUS OF MOST COMMON FIRE FINDINGS**

FINDING 	No. of covered factories where the finding was identified			No. of covered factories where the finding is still outstanding		
	DEC 2022	MAR 2023	JUN 2023	DEC 2022	MAR 2023	JUN 2023
Lockable/collapsible gates	1,243	1,230	1,029	8 (0,6%)	10 (0,8%)	3 (0,3%)
Inadequate egress lighting	1,279	1,265	1,063	53 (4%)	45 (4%)	25 (2%)
Lack of fire separation in hazardous areas	1,195	1,181	996	80 (7%)	80 (7%)	70 (7%)
Non-compliant exit stair openings	1,282	1,268	1,078	172 (13%)	160 (13%)	104 (10%)
Storage in means of egress	1,158	1,143	962	24 (2%)	22 (2%)	8 (1%)

**KEY POINTS**

- The fire safety issues above were found at approximately 60% of the covered factories.
- The decrease in the number of factories from March and June where the finding was identified can be explained by factories no longer being covered by the Accord/RSC.
- A significant part of the progress on fire safety remediation is related to removing lockable / collapsible gates, with only three factories remaining to take these measures.
- Most covered factories have managed to remove storage blocking exit routes, making it safer for workers to exit buildings in case of fires.
- There has been less progress on non-compliant exit stair openings, which suggests that the emergency exit route does not lead to a safe space outside the building; 10% of factories have yet to remediate this safety issue meaning that workers at these factories are yet to have access to proper exit routes.



## FIGURE 2.8 SAFE EGRESS STATUS AT COVERED FACTORIES

Safe egress relates to the overall ability of workers to safely exit a factory building in case of fire or other emergencies. Safe egress requires several conditions to be in place, including adequate means of egress for the corresponding number of people, no blocked routes, egress lighting, fire-rated separation of exit routes, and no locks on exits (see also figure 2.7).

STATUS SAFE EGRESS	SEP 2022	DEC 2022	MAR 2023	JUN 2023
All safe egress measures verified as corrected	617	638	647	675
At least one finding related to safe egress pending verification and no finding outstanding	416	392	381	359
At least one finding related to safe egress outstanding	152	163	167	154

### KEY POINTS

- 57% (675) of Accord-covered factories have implemented all measures required in the initial inspection to ensure safe egress; these measures have in turn been verified by RSC engineers. This highlights that a significant portion of factories have successfully completed the required safe egress safety measures and have passed verification indicating fire safety readiness among more than half of the covered factories.
- 30% (359) of the factories have implemented safe egress measures which are pending RSC verification. These numbers indicate that these factories have taken steps to guarantee safe egress but still require RSC verification and additional measures to ensure full compliance.
- The remaining 13% (154) of factories have not yet completed all necessary remediation to ensure safe egress and have at least one outstanding finding on safe egress, impacting the overall ability of workers at these factories to safely exit in case of fire or other emergencies.

## FIGURE 2.9 FIRE SYSTEMS STATUS

Most inspected factories lack adequate fire alarm and fire suppression systems. Factories work with qualified engineers to design, plan and install fire alarm and fire suppression systems that meet international standards.

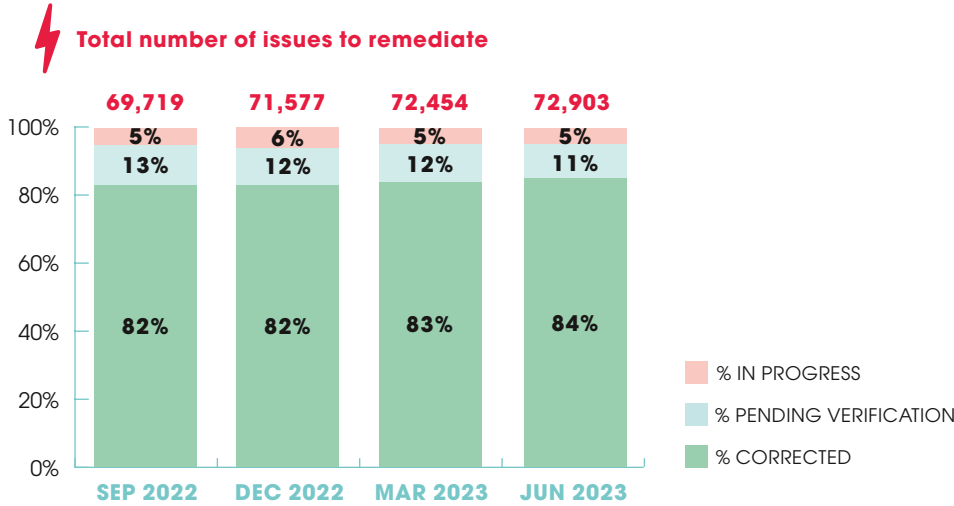
FINDING	Fire Alarm and Detection system (FADS)			Fire Suppression system (SUPS)		
	DEC 2022	MAR 2023	JUN 2023	DEC 2022	MAR 2023	JUN 2023
Factories where FADS/SUPS is required	1,437	1,451	1,473	1,158	1,198	1,188
Fire system verified as installed to standard and fully functional	423	428	442	277	288	293
Fire system installation or verification outstanding	1,014	1,023	1,031	881	910	895

### KEY POINTS

- 31% (442) of factories that need to install fire alarm and detection systems have completed the installation and verification process by the Accord/RSC.
- 25% (293) of factories which need to install a fire suppression system have completed installation and had it verified by the Accord/RSC.
- The decrease of factories where SUPS are required may be explained by a number of factories not getting covered by the Accord/RSC any longer.
- Most factories are either still in the process of installing these systems or have not started. This percentage suggests that there is a notable gap in compliance to fire safety, impacting worker safety.

**FIGURE 2.10 ELECTRICAL REMEDIATION STATUS**

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



**KEY POINTS**

- Electrical remediation has progressed further than fire and structural remediation, with 84% of issues corrected.
- This may be attributed to electrical issues being relatively easier to fix and require smaller investments.
- The electrical items that are commonly found are lack of cable support and protection, lack of Lightning Protection system (LPS), no Single Line Diagram (SLD), inadequate circuit breakers, hazardous accumulation of dust and lint on electrical equipment, and unsafe earthing equipment.

**FIGURE 2.11 STATUS OF MOST COMMON ELECTRICAL FINDINGS**

FINDING	No. of covered factories where the finding was identified			No. of covered factories where the finding is still outstanding		
	DEC 2022	MAR 2023	JUN 2023	DEC 2022	MAR 2023	JUN 2023
Lack of cable support and protection	856	851	711	11 (1%)	13 (2%)	4 (1%)
Lack of Lightning Protection system (LPS)	817	811	681	37 (5%)	37 (5%)	12 (2%)
No Single Line Diagram (SLD)	810	804	672	126 (16%)	122 (15%)	83 (12%)
Inadequate circuit breakers	745	740	614	31 (4%)	32 (4%)	17 (3%)
Hazardous accumulation of dust and lint on electrical equipment	730	726	613	1 (0.1%)	2 (0.3%)	0 (0%)
Unsafe earthing equipment	678	675	673	1 (0.1%)	1 (0.1%)	1 (0.1%)

**KEY POINTS**

- The electrical safety issues above were found at around 40% of factories. There has been a decrease in the number of factories where six of the most common electrical findings were identified. This is likely due to certain factories not being covered by the Accord/RSC any longer.
- In the past quarter, there has been a decrease of factories with outstanding lack of cable support and protection. In general, the most progress has been made in providing cable supports and protection, removing dust and lint, and earthing equipment safely.
- There has been less progress with creating SLDs with 12% of factories 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 International Accord Secretariat. In such cases the status of the finance request is reported here.

		DEC 2022	MAR 2023	JUN 2023
<b>FINANCE REQUESTS</b>	Pending	10	14	8
	Resolved	76	76	77
	Currently referred to the Steering Committee	0	0	1
	Dismissed	58	58	61
	No longer applicable (factories closed, ineligible or relocated)	42	42	44
<b>TOTAL</b>	<b>186</b>	<b>190</b>	<b>191</b>	

### KEY POINTS

- 187 factories currently covered by the Accord have, at some point, made a request for financial support. Four of the finance requests were dismissed in the last quarter. One factory's status changed from dismissed to closed.
- At present, eight factory finance requests are being addressed. In two cases, the Accord Secretariat is working with the factory and responsible signatory companies to facilitate discussions and agreements on commercial terms that will provide adequate support for the factory to cover its outstanding remediation costs. The remaining six finance requests cases are in the early stages of the process involving meetings and information gathering as input for further brand-factory discussions.

**FIGURE 2.13 STATUS OF FACTORY REMEDIATION FUND (FRF)**

	SEP 2022	DEC 2022	MAR 2023	JUN 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	\$1,140,149	\$1,157,224
% of funding disbursed	78%	78%	81%	82%

### KEY POINTS

- In total, US\$1.4 million has been committed to pay for the remediation of specific items at factories with Fund agreements.
- To date, 82% of the committed funding has been disbursed. Three factories are still receiving disbursement in installments as per the Fund agreement, while nine factories will not be receiving the remaining funds due to breaching the terms of the Fund agreement.

## FIGURE 2.14 STATUS OF FUND AGREEMENTS

The Fund agreements specify which remediation items would be financed. These include:

- Fire safety measures such as the 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 improvements including the installation of Lightning Protection Systems, adequate cabling and Earthing Systems, and development and utilisation of Single Line Diagrams.
- Structural safety enhancements, encompassing the completion of structural remediation, including the strengthening of columns, beams, foundations and slabs.

	SEP 2022	DEC 2022	MAR 2023	JUN 2023
Factories granted remediation support through the Fund	21	21	21	21
100% fulfilment of agreement	6	6	8	9
Agreement on-going	7	7	4	3
Agreement terminated	8	8	9	9

### KEY POINTS

- Of the 21 factories granted funding, nine have completed the remediation works financed by the Fund and received the full grant.
- Three factories are still working on the remediation requirements financed by the Fund, and therefore, the agreement is ongoing.
- Nine factories did not fulfill the remediation required under the terms of their Fund agreement, leading to the termination of the agreement. The factories associated with these agreements were independent 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

	SEP 2022	DEC 2022	MAR 2023	JUN 2023
Remediation issues covered by FRF	34	34	32	32
Remediation issues verified as corrected	21	23	24	27
Remediation issues pending verification	2	4	5	2
Remediation issues in progress	11	7	3	3

### 3. SAFETY COMMITTEE & SAFETY TRAINING PROGRAM

All Accord-covered factories participate in a training program conducted by the RSC. This program includes a comprehensive eight-module curriculum for joint worker-management Safety Committees, and three All-Employee Meetings (AEMs).

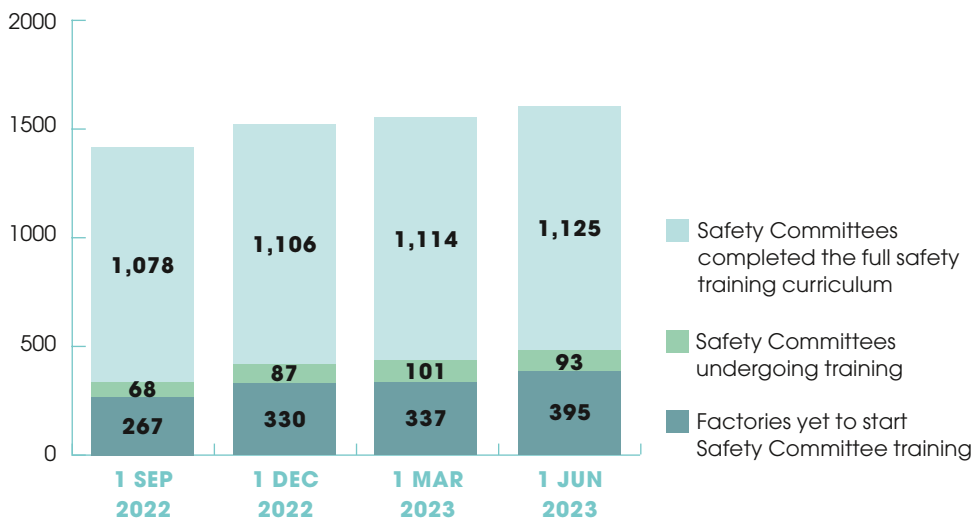
**FIGURE 3.1 STATUS OF SAFETY COMMITTEE TRAINING PROGRAM AT COVERED FACTORIES**

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

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

#### KEY POINTS

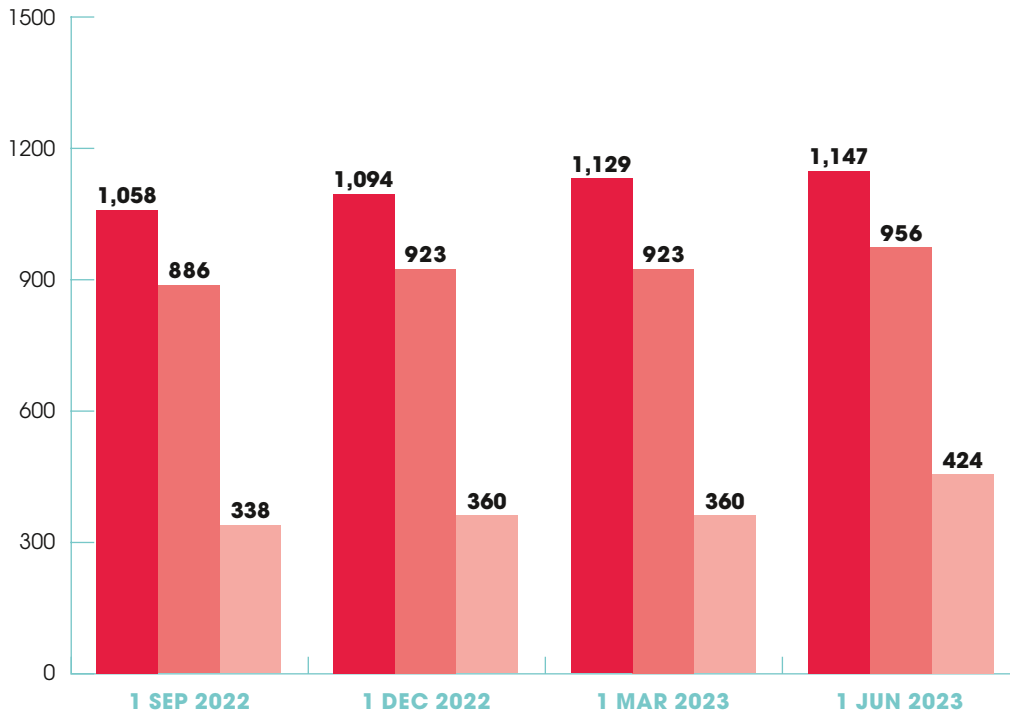
- In the past quarter, there has been an increase of 58 factories awaiting the start of Safety Committee training, leaving 395 yet to begin the program.
- At the end of June 2023, 192 Safety Committees are currently undergoing the training program.
- 1,125 Safety Committees have completed their training, with the RSC training team available to support them where needed.



**FIGURE 3.2 ALL EMPLOYEE MEETINGS (AEMs) TO INFORM WORKERS OF WORKPLACE SAFETY AT COVERED FACTORIES**

After commencing the Safety Committee training program, three AEMs are held at each factory to inform workers about key safety hazards and to advise them on how to participate in maintaining factory safety.

**FACTORIES**



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

**TOTAL PARTICIPANTS: 01/06/23: 1,873,316**

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

**TOTAL PARTICIPANTS: 01/06/23: 1,667,771**

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

**TOTAL PARTICIPANTS: 01/06/23: 925,018**

**KEY POINTS**

- To date, over 1.8 million workers at 1,147 Accord-covered factories have participated in at least the first AEM regarding safe evacuation and common factory safety hazards.
- Over 925,000 workers had attended all three All Employee Meetings as of 1 June 2023.

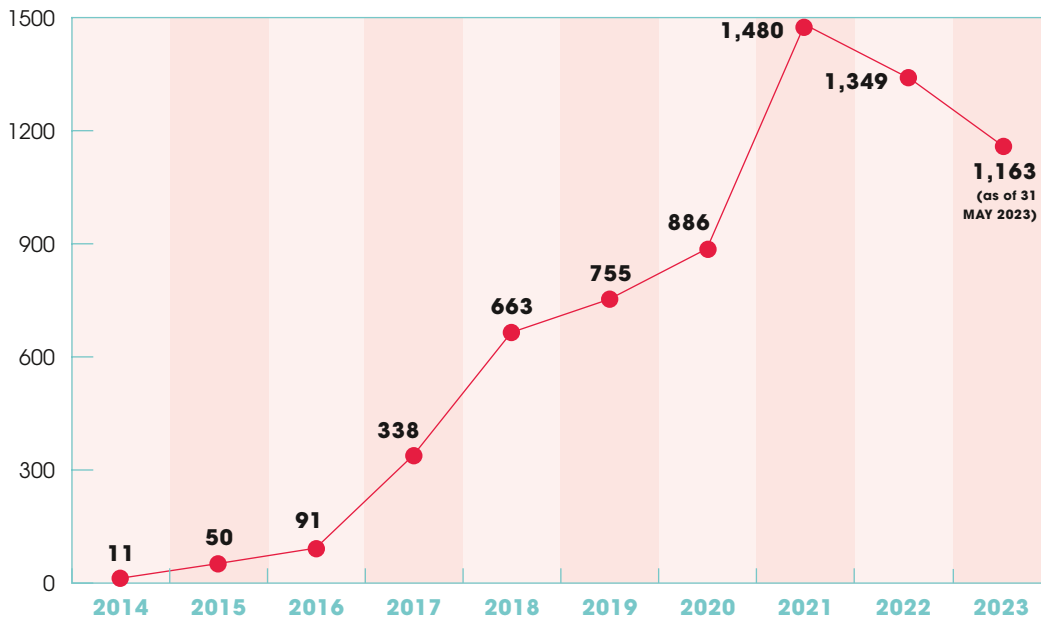
## 4. COMPLAINTS MECHANISM

Accord signatories are committed to providing a complaints mechanism for all workers in covered factories to remedy safety and health concerns, including violations of the right to refuse unsafe work. The Accord/RSC complaints mechanism is available for all workers employed at factories producing for Accord brands and covers complaints related to Occupational Safety and Health (OSH).

Workers can raise complaints in a timely, secure and, if they prefer, confidential or anonymous fashion. The Complaints Mechanism strives to operate in accordance with the effectiveness criteria for non-judicial grievance mechanisms set out in the UN Guiding Principles on Business and Human Rights. The Complaints Mechanism is implemented in Bangladesh by the RSC.

**FIGURE 4.1 COMPLAINTS FILED WITH ACCORD SIGNATORIES' COMPLAINTS MECHANISM**

### COMPLAINTS



### KEY POINTS

- There have been 1,163 complaints filed with the Accord/RSC complaints mechanism between 1 January 2023 to 31 May 2023.

## FIGURE 4.2 NATURE OF COMPLAINTS RECEIVED TO DATE

The Complaints Mechanism covers occupational safety and health (OSH) issues within its scope. Non-OSH complaints are not investigated by the RSC but are forwarded to the signatory companies sourcing from the factory concerned. In cases of serious issues, the RSC complaints handling team notifies the relevant authorities.

	1 SEP 2022	1 DEC 2022	1 MAR 2023	1 JUN 2023
Occupational Safety & Health (OSH)	1,935 (39%)	2,066 (38%)	2,205 (36%)	2,357 (35%)
Non-OSH	3,084 (63%)	3,430 (64%)	4,079 (66%)	4,548 (67%)
<b>TOTAL COMPLAINTS (UNIQUE)</b>	<b>4,915</b>	<b>5,383</b>	<b>6,165</b>	<b>6,786</b>

### KEY POINTS

- To date, a total of 6,786 complaints have been raised through the Accord Complaints Mechanism.
- Out of these, 2,357 are OSH complaints related to working environment related issues, such as unsafe drinking water, workplace violence, forced and excessive overtime, denial of maternity pay/leave rights, denial of sick leave, physical and sexual harassment.
- The remaining 4,548 non-OSH complaints are on issues such as unfair employment termination, non-payment of due earned wages, service benefits and non-payment of severance entitlement among others.
- The number of non-OSH complaints has increased more in the past quarter. 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

	1 SEP 2022	1 DEC 2022	1 MAR 2023	1 JUN 2023
Engineering (structural/fire/electrical safety)	210	218	230	244
Working environment related	1,710	1,830	1,954	2,034
Reprisal for having filed a complaint	45	48	51	55
<b>TOTAL OSH COMPLAINTS (UNIQUE)</b>	<b>1,935</b>	<b>2,066</b>	<b>2,205</b>	<b>2,357</b>

### KEY POINTS

- To date, a total of 2,357 OSH complaints have been raised through the Accord Complaints Mechanism.
- The vast majority (86%) of OSH complaints filed by workers and their representatives relate to the working environment including Covid-19 related issues, unsafe drinking water supply, excessive heat, workplace violence, forced overtime, denial of maternity pay/leave rights, sexual harassment. Meanwhile 10% pertain to engineering issues such as building structure, fire safety or electrical safety concerns.
- In the last quarter, there were 80 complaints concerning the working environment, 14 complaints related to engineering issues, and four complaints alleging retaliation to workers for having previously raised a complaint.



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

	SEP 2022	DEC 2022	MAR 2023	JUN 2023
Resolved	885	922	964	1,023

**KEY POINTS**

- In the past quarter, 59 complaints have been resolved. The resolutions of these complaints included fire, electrical and structural remediation, improvements in health and safety facilities at the factory, disciplinary action, payment of termination benefits, (payment of) maternity leave, introduction of shift system, and reinstatement in case of wrongful termination.

## 5. NON-COMPLIANT SUPPLIERS

Factories which do not adequately participate in the safety programs required by Accord signatory companies are given a notice and warning following the Escalation Protocol described in Article 30 of the International Accord. The Escalation Protocol and procedures are implemented by the RSC team in coordination with the International Accord Secretariat.

The escalation procedure consists of three stages:

Stage 1: A notification of non-compliance.

Stage 2: A notice and warning letter followed by a meeting to discuss remediation; and

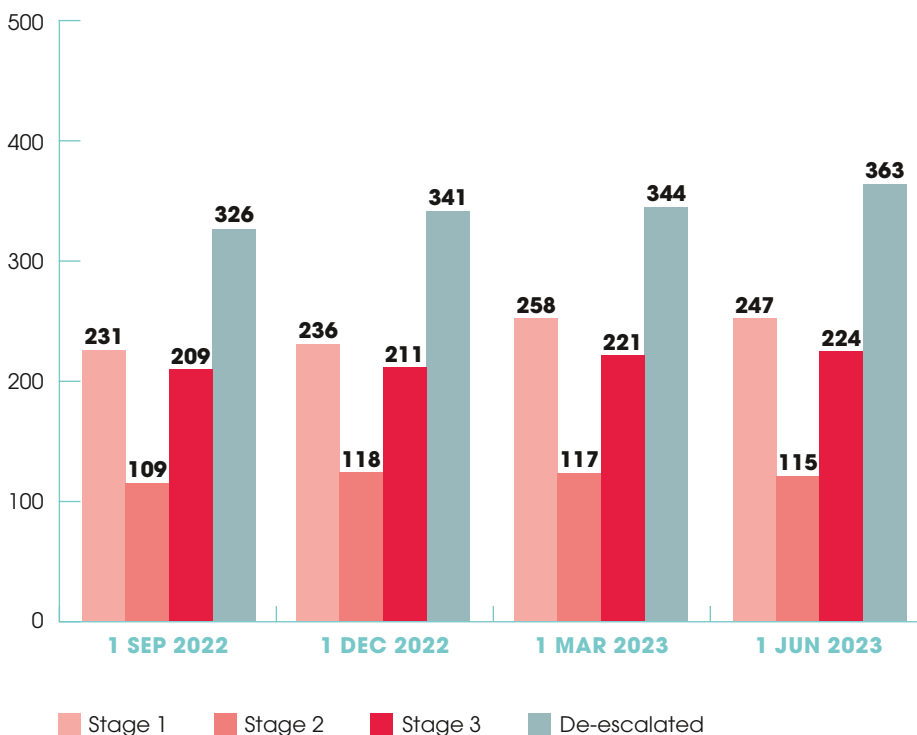
Stage 3: Termination of business relationship with signatory companies if the factory still fails to meet safety requirements within timelines set by the Chief Safety Officer.

Examples of factory non-compliance that trigger the Escalation Protocol include:

- A lack of significant progress in finalising 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 are 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 two, bringing the number to 115 by 1 June 2023.
- Three factories were escalated to Stage 3, meaning signatory companies were mandated to terminate their business relationship with these supplier facilities.
- The number of Stage 3 factories is lower than factories with an Ineligible status because not all Ineligible factories have a Stage 3 status (i.e., group escalation).
- 19 factories were de-escalated, meaning they adequately resolved the non-compliances and took steps to participate fully in the required safety programs.

# Update on Key Developments under the Pakistan Accord

## SUMMARY

Part 2 of the QAR provides an update on the progress of the International Accord's Country-Specific Safety Program (CSSP), the Pakistan Accord for Health and Safety in the Textile and Garment Industry (Pakistan Accord). In the coming months, this section of the QAR will feature additional updates on the implementation of the country program, including the development of the Pakistan Accord Building Standard, the rollout of the factory inspections and setting up local presence and teams in Pakistan. This edition elaborates upon the following aspects of the Pakistan Accord:

- Background to the Pakistan Accord
- Signatory base
- Factory disclosure
- Stakeholder engagement

## BACKGROUND TO THE PAKISTAN ACCORD

With reference to Articles 38 and 39 of the International Accord, effective September 2021, the Accord Steering Committee agreed to establish a country program in Pakistan in December 2022, following extensive feasibility studies and stakeholder consultations. The resulting agreement, called the Pakistan Accord on Health and Safety in the Textile and Garment Industry (Pakistan Accord), is a legally binding agreement between global clothing brands and trade unions. It is a Country-Specific Safety Program (CSSP) of the International Accord, established for an initial term of three years, starting in 2023. The full text of the Pakistan Accord is available [here](#).

## GOALS

The Pakistan Accord aims to ensure worker health and safety in the garment and textile supply chains of signatory companies sourcing in Pakistan. The health and safety programs under the Pakistan Accord strive to achieve the following goals:

- Enhanced compliance with fire (including the handling of hazardous substances), electrical, structural, and boiler safety standards within the Pakistan textile and garment industry.
- Trained Safety Committees and informed workers who address and monitor health and safety at factories.
- A trusted avenue for workers to raise health and safety concerns through an effective complaints mechanism.
- Collaboration with local government institutions, ILO - Better Work Pakistan, and other similar initiatives to build capacity and enhance a culture of health and safety in the Pakistan textile and garment industry.

## SIGNATORY BASE

Signatories to the Accord were invited to sign the Pakistan Accord starting on 16 January 2023. Since then, there has been a steady rise in the number of signatories. **By May 2023, the number of Pakistan Accord signatories had surpassed 50.** Notably, in the last quarter, multiple new brands have joined the signatory base. Many brands have been finalising their internal approval processes and documentation, and as a result, the signatory base is expected to rise further in the coming months. By 1 June, 61 global brands and retailers had signed the Pakistan Accord. These brands source over US\$2.5 billion worth of goods from about 500 facilities in Pakistan.

	Number of Pakistan Accord Signatories
1 JAN 2023	1
1 FEB 2023	21
1 MAR 2023	16
1 APR 2023	8
1 MAY 2023	9
1 JUN 2023	5
<b>TOTAL</b>	<b>60</b>

## FACTORY DISCLOSURE

The Accord Secretariat began requesting Pakistan Accord signatories to disclose which factories are producing for them at the end of May 2023. This disclosure process involves signatory brands providing detailed information about the factories in their supply chains in Pakistan, which are then covered by the Pakistan Accord programs.

Following the request for factory disclosure, the Secretariat initiated the de-duplication process of the listed factories at the beginning of June 2023. De-duplication is a critical step where the Secretariat identifies and eliminates duplicate entries to ensure each factory is only counted once, providing an accurate list of covered factories. Although the exact number of covered factories following the initial factory disclosure process is not known as of 1 June, the anticipated number of covered factories under the Pakistan Accord is approximately 500.

## BUILDING STANDARD

In recent months, the International Accord Secretariat has been working to review Pakistani building codes and develop a draft of the Pakistan Accord Building Standard (Standard), covering electrical, fire, structural, and boiler safety. This Standard will be applied to inspect and ensure fire, electrical, structural, and boiler safety at factories supplying Pakistan Accord signatory brands. It will also cover protection from storage, use, and handling of hazardous substances.

In May 2023, the International Accord team met with engineering and building code experts in Pakistan for consultation on key details in the Standard. These experts will review the latest draft of the Standard in the coming weeks to provide final comments and recommendations.

The Accord intends to finalise and publish the Standard in August/September 2023. Factories covered under the Pakistan Accord will subsequently be inspected against this Standard.

## STAKEHOLDER ENGAGEMENT

The International Accord participated in the 4th UN South Asia Forum on Business and Human Rights organised by UNDP Business and Human Rights Asia from March 20-22, 2023, in Kathmandu, Nepal. Zulfiqar Shah, Pakistan Consultant for the International Accord, highlighted the importance of awareness, trust, and collaboration in ensuring human rights in business, as well as the crucial role of stakeholder engagement, particularly involving local industry and government, in any new Accord country programs. He also discussed the opportunities in implementing the Accord model in other major garment-producing countries besides Pakistan and emphasised the benefits of legally binding agreements such as the Pakistan Accord in ensuring transparency and accountability in garment supply chains.

A delegation from the International Accord Secretariat and Accord signatory brands visited Pakistan from May 23 to June 3, 2023. The team attended the three-day TEXPO hosted by the Trade Development Authority of Pakistan and engaged with a range of stakeholders, including manufacturers, buyers, and international delegates. The key discussion points included the role of the Pakistan Accord in improving workplace safety in the textile and garment industry, strengthening partnerships, and ensuring the effective implementation of the Pakistan Accord. Additionally, Joris Oldenziel, Executive Director of the International Accord, was among the panelists at the Textile and Ready-Made Garment Industry Forum organised by the International Labour Organization (ILO) on May 25.