INTERNATIONAL ACCORD
QUARTERLY AGGREGATE **REPORT**

#3 2023

DATA AS OF 1 SEPTEMBER 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.

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 program in Pakistan.

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

An archive of earlier reports published by the Bangladesh Accord remains available on the Bangladesh Accord website or upon request from contact@internationalaccord.org.

PART 1

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 on behalf of the Accord at all factories supplying Accord signatory companies:

- Initial fire, electrical, structural and boiler safety inspections
- Follow-up inspections to monitor remediation and identify potential new issues
- Safety Committee training program
- All Employee Meetings
- Occupational Health and Safety Complaints Mechanism

1. INSPECTIONS & REMEDIATION PROGRESS

FIGURE 1.1 **INITIAL INSPECTIONS AT COVERED FACTORIES**

Initial inspections assess fire, electrical and structural safety[1] standards at covered factories.

COVERED FACTORIES	1 MAR 2023	1 JUN 2023	1 SEP 2023
Factories with initial inspections completed	1,469	1,486	1,512
Factories to be scheduled for initial inspections	114	163	169
TOTAL COVERED FACTORIES	**1,583**	**1,649**	**1,681**
FACTORIES NO LONGER COVERED			
Closed	243	249	252
Relocated	179	180	180
Ineligible for business with Accord signatories[2]	227	233	234
No longer supplying for Accord brands (but still covered by the RSC)	240	232	198
Out of Accord scope[3]	77	77	133
TOTAL FACTORIES INSPECTED BUT NO LONGER COVERED	**966**	**971**	**997**
TOTAL FACTORIES INSPECTED OR SCHEDULED FOR INITIAL INSPECTIONS SINCE 2013	**2,549**	**2,620**	**2,678**

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).

KEY POINTS

- The number of factories supplying Accord signatory companies increased by 32 this quarter, reaching 1681 by September 2023.
- The RSC conducts initial inspections at newly listed factories. 169 factories were awaiting an initial inspection as of 1 September 2023.
- Three factories ceased operations during the last quarter. The RSC has verified that these facilities are no longer producing for Accord signatories and will therefore stop monitoring these.
- One factory was made ineligible to supply Accord signatories 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.
- Since 2013, 2,509 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 997 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.

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 MAR 2023	1 JUN 2023	1 SEP 2023
Fire	11,395	11,525	11,726
Electrical	11,772	11,918	12,147
Structural	6,727	6,819	6,947
TOTAL	**29,894**	**30,262**	**30,820**

KEY POINTS

- RSC engineers conducted fire safety and electrical safety follow-up inspections at over 200 factories, and structural safety follow-up inspections at nearly 100 factories between 2 June 2023 to 1 September 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 DEC 2022	1 MAR 2023	1 MAR 2023	1 SEP 2023
Visit to prepare for testing & commissioning verification inspections	1,106	1,201	1,273	1,355
Initial testing & commissioning verification inspections	894	951	983	1,016
Final testing & commissioning verification inspections	218	243	265	299
Fire pump inspections (to assess remediation of negative suction issues)	240	240	241	240
TOTAL	**2,458**	**2,635**	**2,762**	**2,910**

KEY POINTS

- RSC fire engineers conducted around 150 targeted fire system inspections and visits between 2 June 2023 to 1 September 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 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 DEC 2022	1 MAR 2023	1 JUN 2023	1 SEP 2023
Visual boiler safety inspections	1,373	1,473	1,649	1,652[4]
Internal inspections	2	8	29	45
Hydrostatic inspections	2	8	28	45
Functional inspections	0	5	18	33

KEY POINTS

- RSC engineers conducted three preliminary boiler safety inspections between 2 June 2023 to 1 September 2023.
- As of 1 September 2023, the RSC has conducted internal boiler inspections at 45 factories, hydrostatic inspections in 45 factories and functional inspections in 33 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 or 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[5], the RSC engineers conduct a post-incident inspection to assess the cause of the incident and advise on necessary remediation.

	1 DEC 2022	1 MAR 2023	1 JUN 2023	1 SEP 2023
Inspections in response to safety complaints	120	133	147	162
Inspections in response to a reported safety incident	100	107	113	118
TOTAL	**220**	**240**	**260**	**280**

KEY POINTS

- From 2 June 2023 to 1 September 2023, there were 15 inspections in response to safety complaints and five 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 DEC 2022	1 MAR 2023	1 JUN 2023	1 SEP 2023
Temporary factory evacuations	85	85	87	88

KEY POINTS

- Since 2013, 88 factories have been temporarily evacuated due to critical safety findings.
- Between 2 June 2023 to 1 September 2023, one factory was temporarily evacuated due to critical safety concerns.
- The main causes for these temporary evacuations included 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 DEC 2022	92%
1 MAR 2023	92%
1 JUN 2023	92%
1 SEP 2023	92%

KEY POINTS

- The aggregate remediation rate among covered factories in Bangladesh did not change throughout the third quarter 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 September 2023, 1,212 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[6]	CAP on track[7]	Initial CAP completed[8]	CAP not implemented[9]	CAP not finalised/ no CAP[10]	CAP N/A	Initial Progress Rate
2013	84	26	8	42	8	0	0	99%
2014	824	304	53	324	142	0	1	98%
2015	192	69	14	65	44	0	0	98%
2016	78	28	6	31	13	0	0	98%
2017	99	42	20	26	11	0	0	97%
2018	85	49	14	14	8	0	0	95%
2019	81	56	11	9	4	1	0	91%
2020	38	32	5	1	0	0	0	88%
2021	117	100	13	2	2	0	0	76%
2022	85	82	1	0	2	4	0	59%
2023	63	41	0	0	0	22	0	41%
No first inspection date	171	0	0	0	2	169	0	-
TOTAL	**1,917**	**829**	**145**	**514**	**236[11]**	**192**	**1**	**92%**

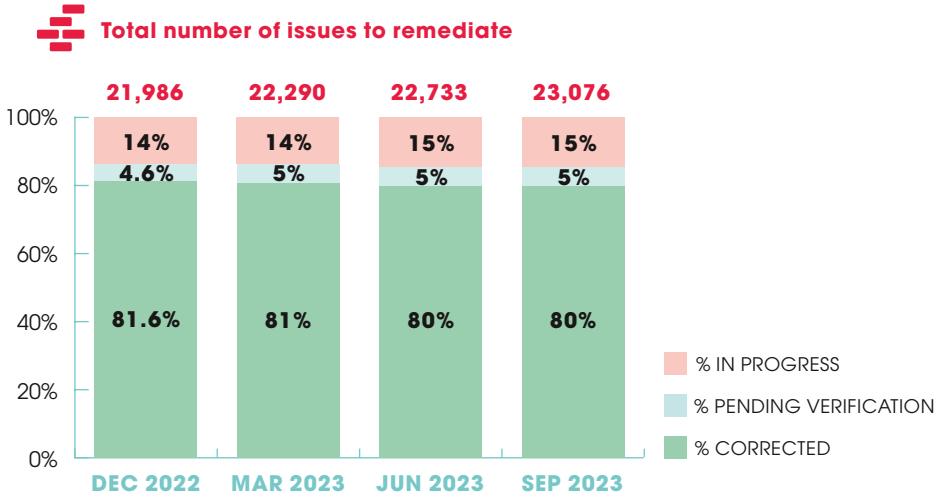
KEY POINTS

- Approximately 27% (514) of all covered factories have completed the remediation required after their initial inspection.
- 829 of all covered factories have a CAP behind schedule designation due to not remediating items within the timelines identified in their CAPs.
- 17% 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.
- 63 factories were inspected between 1 January to the 31 September 2023. 22 of these factories are yet to finalise their CAPs.

6. The CAP is in 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 (234) in figure 1.1 because it includes factories that were escalated due to refusal to entry.

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.



KEY POINTS

- Compared to fire and electrical remediation, there is a higher percentage of structural issues in progress. This can partially be attributed to the slow pace of finalising DEAs.
- The most common types of structural findings at inspected factories included the lack of load management plans, inconsistency with building plans and drawings and the lack of implementing the existing load management plans.
- The overall structural remediation rate has stayed constant in the last quarter.

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		
	MAR 2023	JUN 2023	SEP 2023	MAR 2023	JUN 2023	SEP 2023
Lack of load management plan	989	874	872	53 (5%)	55 (6%)	52 (6%)
Inconsistency between building plan and drawings	1,050	1,013	1,011	76 (7%)	142 (14%)	130 (13%)
Incorrect implementation of existing load management plan	890	832	830	42 (5%)	67 (8%)	63 (8%)
Lack of design check against lateral load	732	724	724	68 (9%)	125 (17%)	118 (18%)

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%-18% of factories are yet to remediate adequately.
- The slight decrease in the number of factories from June and September where the finding was identified can be explained by factories no longer being covered by the Accord/RSC.
- 13% of the 1,011 factories with inconsistent building plans and drawings are yet to remediate this item.

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.

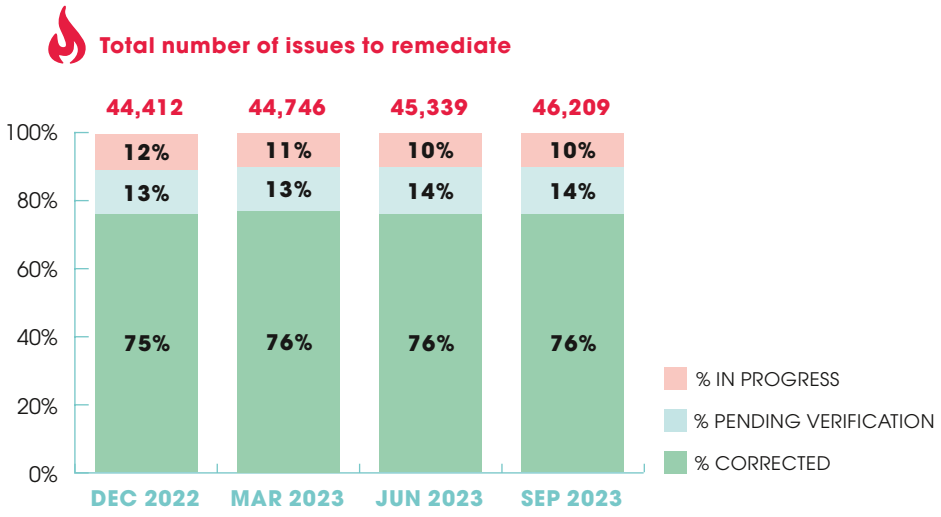
	DEC 2022	MAR 2023	JUN 2023	SEP 2023
Factories required to conduct a DEA	1,142	1,143	1,136	1,135
DEA accepted and verified	993	973	1,042	1,026
Factories with DEA outstanding	149	170	94	109

KEY POINTS

- Around three quarters of covered factories (1,135 of 1,681) were required to conduct a DEA to check the structural integrity of their buildings.
- 1,026 factories currently have an accepted and verified DEA, which has decreased since the last quarter due to several factories needing to revise their DEA to account for changes in the building.
- 10% 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 and fire suppression systems.



KEY POINTS

- Compared to structural and electrical safety issues, a higher 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		
	MAR 2023	JUN 2023	SEP 2023	MAR 2022	JUN 2023	SEP 2023
Lockable/collapsible gates	1,230	1,029	1,116	10 (0,8%)	3 (0,3%)	5 (0,4%)
Inadequate egress lighting	1,265	1,063	1,260	45 (4%)	25 (2%)	57 (5%)
Lack of fire separation in hazardous areas	1,181	996	1,119	80 (7%)	70 (7%)	77 (7%)
Non-compliant exit stair openings	1,268	1,078	1,297	160 (13%)	104 (10%)	207 (10%)
Storage in means of egress	1,143	962	1,128	22 (2%)	8 (1%)	25 (2%)

KEY POINTS

- The fire safety issues above were found at approximately 65% of the covered factories.
- The increase in the number of factories from June to September where the finding was identified can be explained by multiple factors, such as new factories getting inspected, new issues being found, and uncategorised issues being categorised in the past quarter.
- A significant part of the progress on fire safety remediation is related to removing lockable / collapsible gates, with only five factories remaining to take these measures. Most covered factories have managed to resolve 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 implies 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 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.

STATUS SAFE EGRESS	1 DEC 2022	1 MAR 2023	1 JUN 2023	1 SEP 2023
All safe egress measures verified as corrected	638	647	675	854
At least one finding related to safe egress pending verification and no finding outstanding	392	381	359	247
At least one finding related to safe egress outstanding	163	167	154	90

KEY POINTS

- 72% (854) 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.
- 21% (247) 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.
- 8% (90) of the factories have not yet made all necessary remediation to ensure safe egress for their workers in case of fire or other emergencies.

FIGURE 2.9 FIRE SYSTEMS STATUS

Most 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 that meet international standards.

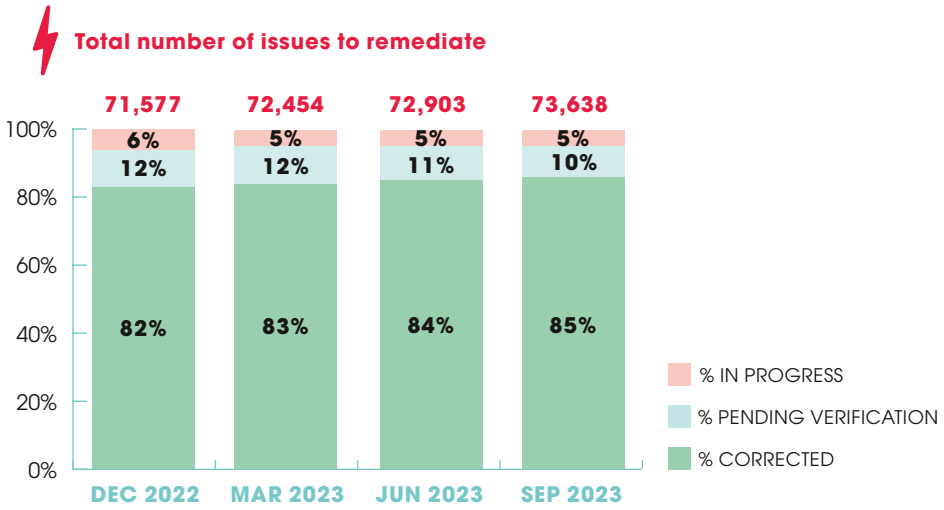
FINDING	Fire Alarm and Detection system (FADS)			Fire Suppression system (SUPS)		
	MAR 2023	JUN 2023	SEP 2023	MAR 2023	JUN 2023	SEP 2023
Factories where FADS/SUPS is required	1,451	1,473	1,485	1,198	1,188	1,206
Fire system verified as installed to standard and fully functional	428	442	458	288	293	310
Fire system installation or verification outstanding	1,023	1,031	1,027	910	895	896

KEY POINTS

- 31% (458) of factories that need to install a fire alarm and detection system have completed the installation and verification by the Accord/RSC.
- 26% (310) of factories which need to install a fire suppression system have completed installation and had it verified by the Accord/RSC.
- 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.



KEY POINTS

- Electrical remediation has progressed further than fire and structural remediation, with 85% 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		
	MAR 2023	JUN 2023	SEP 2023	MAR 2023	JUN 2023	SEP 2023
Lack of cable support and protection	851	711	708	13 (2%)	4 (1%)	4 (1%)
Lack of Lightning Protection system (LPS)	811	681	680	37 (5%)	12 (2%)	12 (2%)
No Single Line Diagram (SLD)	804	672	671	122 (15%)	83 (12%)	78 (12%)
Inadequate circuit breakers	740	614	610	32 (4%)	17 (3%)	12 (2%)
Hazardous accumulation of dust and lint on electrical equipment	726	613	611	2 (0.3%)	0 (0%)	0 (0%)
Unsafe earthing equipment	675	673	554	1 (0.1%)	1 (0.1%)	0 (0%)

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 Single Line Diagrams (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.

		MAR 2023	JUN 2023	SEP 2023
FINANCE REQUESTS	Pending	14	8	9
	Resolved	76	77	78
	Currently referred to the Steering Committee	0	1	1
	Dismissed	58	61	61
	No longer applicable (factories closed, ineligible or relocated)	42	44	44
TOTAL		**190**	**191**	**193**

KEY POINTS

- 193 factories currently covered by the Accord have, at some point, made a request for financial support.
- At present, nine factory finance requests are being addressed. In four cases, the Accord Secretariat is working with the factory and responsible signatory companies to facilitate discussions and agreement on commercial terms that will provide adequate support for the factory to cover its outstanding remediation costs. The remaining **five** finance requests cases are in the early stages of the process involving meetings and information gathering for brand-factory discussions.

FIGURE 2.13 STATUS OF FACTORY REMEDIATION FUND (FRF)

	DEC 2022	MAR 2023	JUN 2023	SEP 2023
Total funding committed	$1,405,796	$1,405,796	$1,405,796	$1,405,796
Total funding disbursed	$1,091,987	$1,140,149	$1,157,224	$1,157,224
% of funding disbursed	78%	81%	82%	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 undergoing the disbursement in installments as per the Fund agreement, and nine factories will not receive the remaining funds due to breaching the terms of the Fund agreements.

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.*

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

KEY POINTS

- Of the 21 factories which were granted funding, nine have completed the remediation works to be financed by the Fund and received the full grant.
- Three factories are still working on the remediation works to be financed by the Fund and therefore the agreement is still ongoing.
- Nine factories did not fulfil the remediation required under the terms of their Fund agreement, leading to the termination of the agreement. 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*

	DEC 2022	MAR 2023	JUN 2023	SEP 2023
Remediation issues covered by FRF	34	32	32	32
Remediation issues verified as corrected	23	24	27	28
Remediation issues pending verification	4	5	2	2
Remediation issues in progress	7	3	3	2

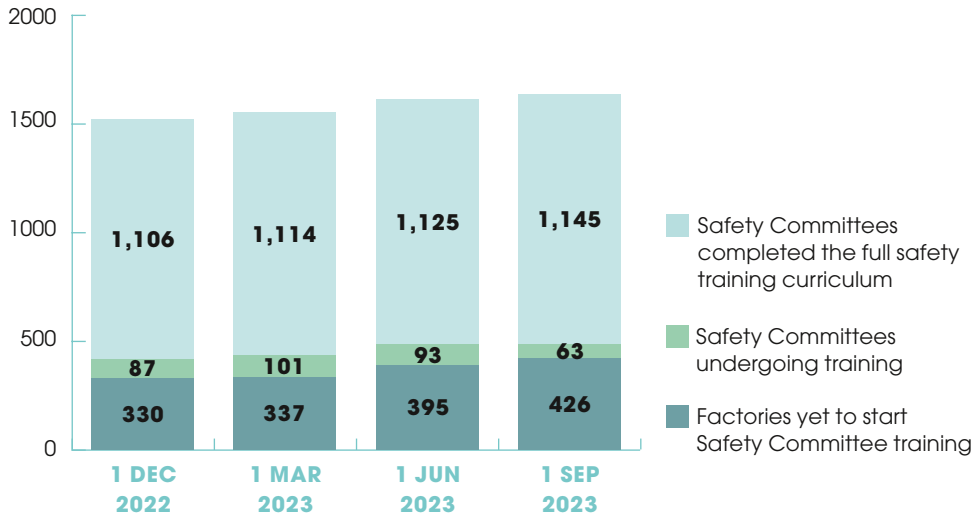
3. SAFETY COMMITTEE & SAFETY TRAINING PROGRAM

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 eight modules covering the following 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 31 factories awaiting the start of Safety Committee training, leaving 426 yet to begin the program.
- 110 Safety Committees are undergoing the training program.
- 1,145 Safety Committees have completed their training, with the RSC training team available to support them where needed.

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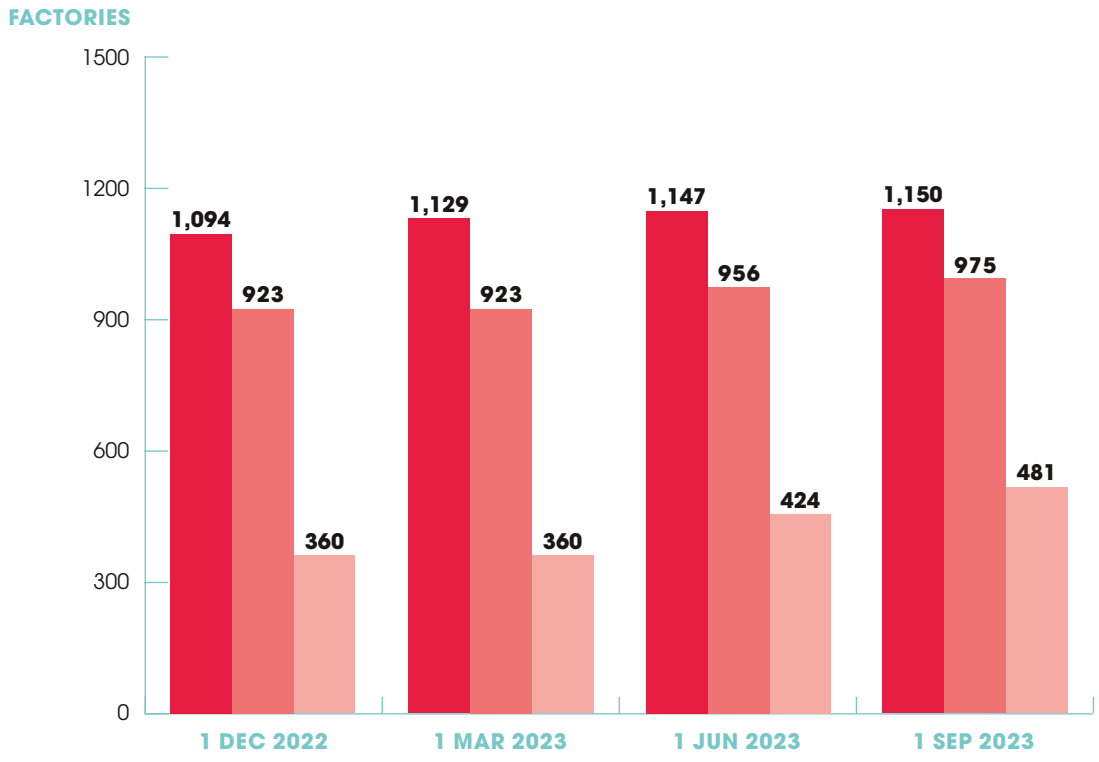
FIGURE 3.2 ALL EMPLOYEE MEETINGS (AEMs) TO INFORM WORKERS OF WORKPLACE SAFETY AT COVERED FACTORIES

After starting 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.



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

TOTAL PARTICIPANTS: 01/09/23: **1,873,713**

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

TOTAL PARTICIPANTS: 01/09/23: **1,687,817**

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

TOTAL PARTICIPANTS: 01/09/23: **996,164**

KEY POINTS

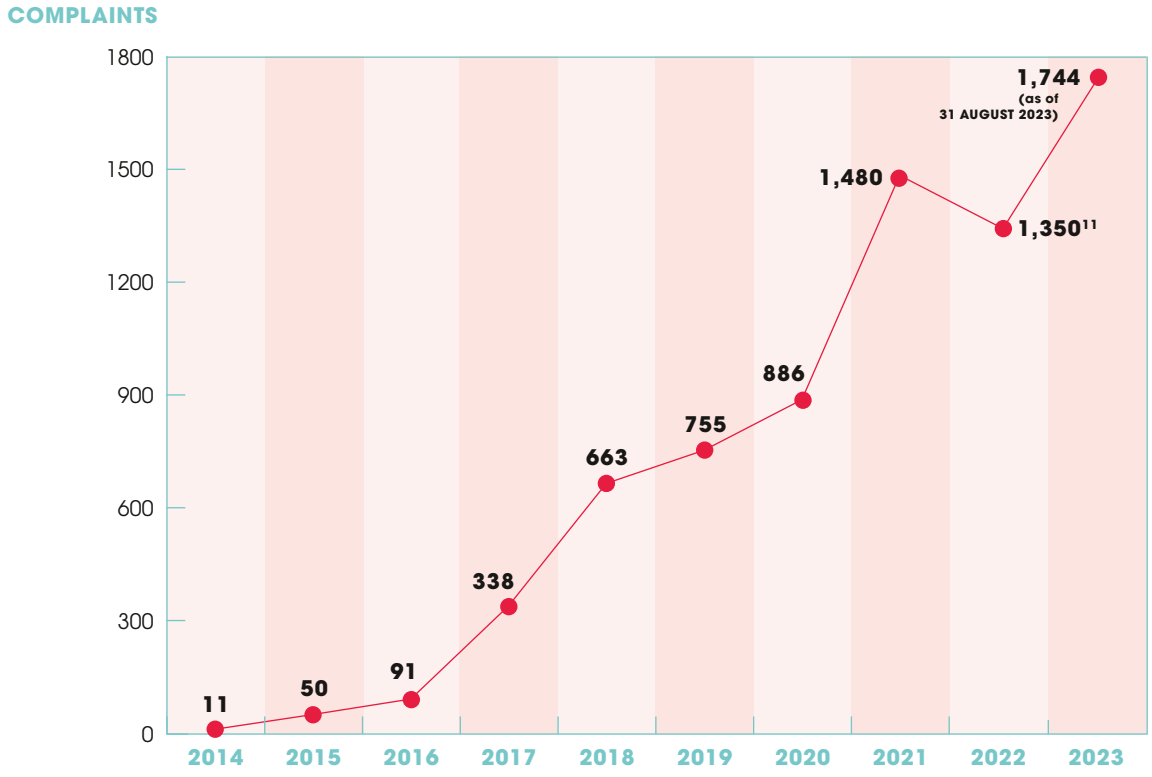
- To date, over 1.8 million workers at 1,150 Accord covered factories have participated in at least the first AEM regarding safe evacuation and common factory safety hazards.
- Over 925,000 participants had attended all three All Employee Meetings as of 1 September 2023.

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 at all 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 by the RSC in Bangladesh.

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



KEY POINTS

- There have been 1,744 complaints filed with the Accord/RSC complaints mechanism between 1 January 2023 to 31 August 2023.

11. The total number of complaints filed in 2022 increased by one from the previous quarter. This may be because the data is subject to a yearly review.

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 DEC 2022	1 MAR 2023	1 JUN 2023	1 SEP 2023
Occupational Safety & Health (OSH)	2,066 (38%)	2,205 (36%)	2,357 (35%)	2,480 (34%)
Non-OSH	3,430 (64%)	4,079 (66%)	4,548 (67%)	5,004 (68%)
TOTAL COMPLAINTS (UNIQUE)	**5,383**	**6,165**	**6,786**	**7,368**

KEY POINTS

- To date, a total of 7,368 complaints have been raised through the Accord Complaints Mechanism.
- Out of these, 2480 are OSH complaints related to working environment related issues, 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 5004 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 DEC 2022	1 MAR 2023	1 JUN 2023	1 SEP 2023
Engineering (structural/fire/electrical safety)	218	230	244	251
Working environment related	1,830	1,954	2,034	2,125
Reprisal for having filed a complaint	48	51	55	58
TOTAL OSH COMPLAINTS (UNIQUE)	**2,066**	**2,205**	**2,357**	**2,480**

KEY POINTS

- To date, a total of 2,480 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 91 complaints concerning the working environment, 7 complaints related to engineering issues, and three complaints alleging retaliation to workers for having previously raised a complaint.

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

	DEC 2022	MAR 2023	JUN 2023	SEP 2023
Resolved	922	964	1,023	1,099

KEY POINTS

- In the past quarter, 66 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, maternity leaves, introduction of shift system, 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

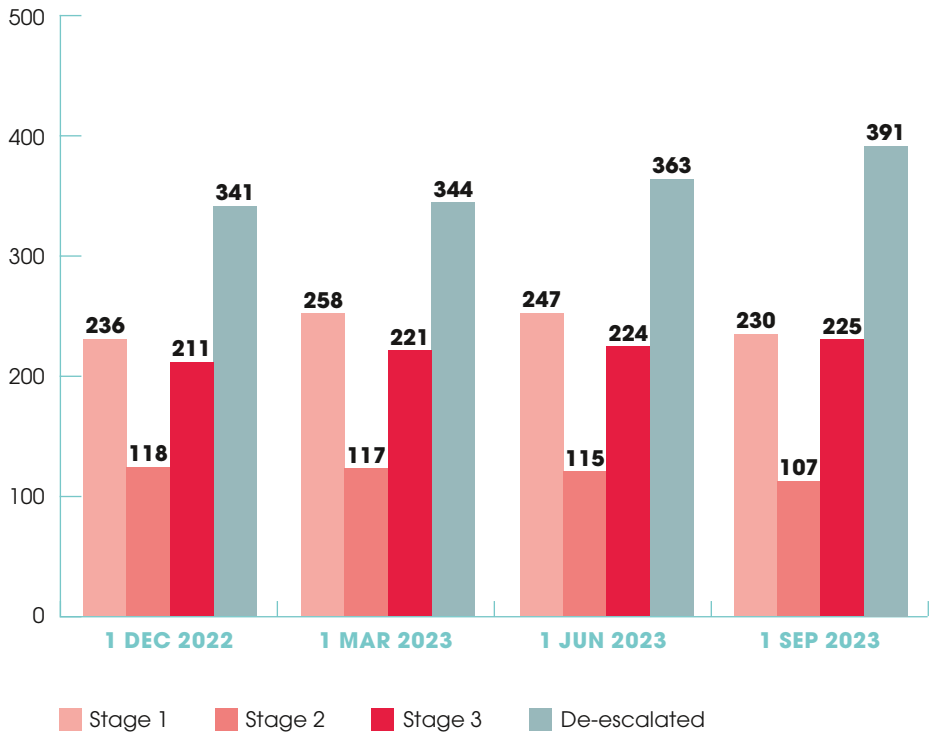
Stage 3: Termination of business relationship with signatory companies if the factory still fails to meet safety requirements within timelines set by the Chief Safety Officer.

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 ESCALATION



KEY POINTS

- In the last quarter, the number of factories in Stage 2 escalation decreased by eight, leaving it at 107.
- 1 factory was escalated to Stage 3, meaning signatory companies were mandated to terminate their business relationship with this supplier facility.
- 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).
- 28 factories were de-escalated, meaning they adequately resolved the non-compliances and took steps to participate fully in the required safety programs.

PART 2

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
- Signatory base
- Factory disclosure
- Pakistan Accord Building Standard
- Program Rollout

BACKGROUND

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 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. In the last quarter, multiple new brands and retailers have joined the signatory base including GAP Inc, New Look, Just Brands, Wibra Supermarket B.V. and Matalan. Many brands have been finalising their internal approvals and documentation, and as a result, the signatory base is expected to rise in the coming months. By 1 September, 72 global brands and retailers had signed the Pakistan Accord. These brands source over US$2.5 billion worth of goods from more than 470 facilities in Pakistan with over 470,000 workers.

	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
1 JUL 2023	4
1 AUG 2023	6
1 SEP 2023	2
TOTAL	72

FACTORY DISCLOSURE

The Accord Secretariat began requesting factory disclosure from Pakistan Accord signatories 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.

The first supplier list was published in the first week of August 2023 containing factory information received as of 25 July 2023, from over 400 factories supplying 52 Pakistan Accord signatory brands. This list provides an overview of the names, addresses, storeys, production processes, number of workers, and the number of signatory brands sourcing from each factory.

Over half of the factories are situated in Sindh, while approximately 35% are found in Punjab.

This list grew in the following weeks as more recent signatory brands disclosed their supplier information. However, from August to September, no new supplier lists were published due to the development of the Pakistan page on the Fair Factories Clearinghouse site.

Based on the factory listing by signatory brands as of 1 September 2023, most of the product type at the 470 factories focus on Ready-Made Garments (RMG), followed by home textiles. Fabric accessories and the combination of home textiles and RMG have significantly fewer factories (see Figure 1). Information about the breakdown of product types at 92 listed factories was missing as of 1 September 2023.

FIGURE 1

Product Type	Number of Factories
Missing Info	92
Fabric Accessories	6
Home Textiles	86
Home Textiles & RMG	10
RMG	276
GRAND TOTAL	**470**

The most common process type at the listed factories is CMT only, followed by Integrated CMT & fabric mills. The categories with the least number of factories are Fabric mill only and Other process. Information about the breakdown of process types at 142 listed factories was missing as of 1 September 2023.

FIGURE 2

Production Processes	Number of Factories
Missing Info	142
1. CMT only	192
2. Integrated CMT & fabric mill	92
3. Fabric mill only	19
4. Other process	25
GRAND TOTAL	**470**

PAKISTAN ACCORD 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 the protection from storage, use, and handling of hazardous substances. Factories covered under the Pakistan Accord will subsequently be inspected against this Standard.

In this quarter, the International Accord team worked on finalising the comments and recommendations on key details in the Standard from engineering and building code experts in Pakistan. These experts provided their recommendations on the draft Standard over the March – June quarter.

The Accord finalised the Standard at the end of August 2023 and is preparing to launch it during a series of webinars for signatory brands and covered suppliers at the end of September.

PROGRAM ROLLOUT

In this quarter, the Accord team started preparing for the first round of initial safety inspections at factories supplying Pakistan Accord brands in Lahore and Karachi. The next edition of the QAR will include additional details on these health and safety inspections.