

INTERNATIONAL ACCORD QUARTERLY AGGREGATE REPORT

#4 2023

DATA AS OF 1 DECEMBER 2023

INTRODUCTION

The International Accord publishes this Quarterly Aggregate Report (QAR) to inform its stakeholders about safety conditions and progress across all factories covered by its health and safety programs in Bangladesh, under the Bangladesh Agreement on Health and Safety in the Textile and Garment Industry (Bangladesh Safety Agreement), and in Pakistan, under the Pakistan Accord on Health and Safety in the Textile and Garment Industry (Pakistan Accord). The QAR provides an update on the key developments within 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 29 of the International Accord framework agreement and include a provision to publish QARs that summarise both aggregated industry compliance data and a detailed review of findings, remedial recommendations, and progress on remediation and safety training for all covered factories. In November 2023, the International Accord was renewed for an extended three-year term, with an automatic renewal of another three years, making it the longest Accord commitment to date.

The renewed International Accord, effective since November 1, 2023, is a legally binding framework agreement under which its Country-Specific Safety Programs (CSSPs), the Pakistan Accord and the Bangladesh Safety Agreement, are being implemented.

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 under the **Bangladesh Safety Agreement** at factories supplying Accord signatories in Bangladesh.

PART 2 provides an update on the latest developments under the **Pakistan Accord** at factories supplying Accord signatories 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.

Key Developments under the Bangladesh Safety Agreement

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 in Bangladesh. 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 new issues
- Safety Committee trainings
- All Employee Meetings
- Occupational Safety and Health Complaints Mechanism

1. INSPECTIONS & REMEDIATION PROGRESS

FIGURE 1.1 INITIAL INSPECTIONS AT COVERED FACTORIES

Initial inspections assess fire, electrical and structural safety¹ standards at covered factories.

COVERED FACTORIES	1 JUN 2023	1 SEP 2023	1 DEC 2023
Factories with initial inspections completed	1,486	1,512	1,592
Factories to be scheduled for initial inspections	163	169	109
TOTAL COVERED FACTORIES	1,649	1,681	1,701
FACTORIES NO LONGER COVERED			
Closed	249	252	268
Relocated	180	180	180
Ineligible for business with Accord signatories ²	233	234	238
No longer supplying for Accord brands (but still covered by the RSC)	232	198	91
Out of Accord scope ³	77	133	253
TOTAL FACTORIES INSPECTED BUT NO LONGER COVERED	971	997	1,031
TOTAL FACTORIES INSPECTED OR SCHEDULED FOR INITIAL INSPECTIONS SINCE 2013	2,620	2,678	2,732

KEY POINTS

- The number of factories supplying Accord signatory companies increased by 20 this quarter, reaching 1,701 by December 2023.
- The RSC conducts initial inspections at newly listed factories. 109 factories were awaiting an initial inspection as of 1 December 2023.
- 16 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.
- Five factories were 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, 2,623 factories have received initial inspections on fire, electrical, structural and boiler safety by Accord/RSC engineers.
- The decrease in factories that no longer supply Accord brands but are still RSC covered is explained by the factories dropping out of the RSC program and now being out of scope.
- Since the start of the Bangladesh Accord in 2013, a total of 1,031 factories have been inspected by the Accord or RSC but are no longer covered by the Accord 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 falling outside 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) that are published on the Accord and RSC websites.

	1 JUN 2023	1 SEP 2023	1 DEC 2023
Fire	11,525	11,726	11,755
Electrical	11,918	12,147	12,450
Structural	6,819	6,947	7,037
TOTAL	30,262	30,820	31,242

KEY POINTS

- RSC engineers conducted around 30 fire safety inspections, 300 electrical safety follow-up inspections, and structural safety follow-up inspections at nearly 100 factories between 2 September 2023 to 1 December 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.

	1 MAR 2023	1 JUN 2023	1 SEP 2023	1 DEC 2023
Visit to prepare for testing & commissioning verification inspections	1,201	1,273	1,355	1,407
Initial testing & commissioning verification inspections	951	983	1,016	1,067
Final testing & commissioning verification inspections	243	265	299	321
Fire pump inspections (to assess remediation of negative suction issues)	240	241	240	237
TOTAL	2,635	2,762	2,910	3,032

KEY POINTS

- RSC fire engineers conducted around 120 targeted fire system inspections and visits between 2 September 2023 to 1 December 2023 to assess the installation status of fire alarm and fire suppression systems.

FIGURE 1.4 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 MAR 2023	1 JUN 2023	1 SEP 2023	1 DEC 2023
Boiler safety inspections	1,473	1,649	1,652	1,663 ⁴
Internal inspections	8	29	45	90
Hydrostatic inspections	8	28	45	89
Functional inspections	5	18	33	58

KEY POINTS

- RSC engineers conducted 11 preliminary boiler safety inspections between 2 September 2023 to 1 December 2023.
- As of 1 December 2023, the RSC had conducted internal boiler inspections at 90 factories, hydrostatic inspections in 89 factories and functional inspections in 58 factories.

4. Factories of all statuses.

FIGURE 1.5 INSPECTIONS IN RESPONSE TO SAFETY COMPLAINTS AND INCIDENTS

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 channel⁵, the RSC engineers conduct a post-incident inspection to assess the cause of the incident and advise on necessary remediation.

	1 MAR 2023	1 JUN 2023	1 SEP 2023	1 DEC 2023
Inspections in response to safety complaints	133	147	162	168
Inspections in response to a reported safety incident	107	113	118	127
TOTAL	240	260	280	295

KEY POINTS

- From 2 September 2023 to 1 December 2023, there were six inspections in response to safety complaints and nine 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. Article 11 under the 2023 Bangladesh Safety Agreement requires signatory companies and their suppliers to ensure worker wages during any factory closure necessary for remediation.

	1 MAR 2023	1 JUN 2023	1 SEP 2023	1 DEC 2023
Temporary factory evacuations	85	87	88	88

KEY POINTS

- Since 2013, 88 factories have been temporarily evacuated due to critical safety findings.
- The main causes for temporary evacuations include cracks in columns and walls and findings identified during post-fire incident inspections.
- Between 2 September 2023 to 1 December 2023, no factory was called upon to temporarily evacuate due to critical safety concerns.

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 MAR 2023	1 JUN 2023	1 SEP 2023	1 DEC 2023
92%	92%	92%	91%

KEY POINTS

- The aggregate remediation rate dropped by 1% in the last quarter of 2023. This is likely due to several factors, including factories listed during the initial years of the Accord program no longer being covered. The removed items from various categories (in progress, pending verification, and corrected) has lowered the overall progress rate. As a result of the variation in the items being removed from each scope, the corrected progress rate for structural issues decreased, while the rate for fire safety remained unchanged, and the rate for electrical safety increased.
- Due to the renewal of the International Accord in the last quarter of 2023, there is an increase in the number of factories being delisted.
- As of 1 December 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	29	5	42	8	0	0	99%
2014	815	277	61	331	145	0	1	98%
2015	192	63	15	70	44	0	0	98%
2016	78	29	4	32	13	0	0	98%
2017	99	50	12	26	11	0	0	97%
2018	86	53	9	16	8	0	0	94%
2019	81	57	7	12	4	1	0	91%
2020	38	32	5	1	0	0	0	88%
2021	117	100	11	3	3	0	0	77%
2022	83	78	3	0	2	0	0	62%
2023	191	74	2	0	0	115	0	43%
No first inspection date	75	0	0	0	2	73	0	-
TOTAL	1,939	842	134	533	240	189	1	91%

KEY POINTS

- 842 of all covered factories have a CAP behind schedule designation due to not remediating items within the timelines identified in their CAPs.
- Around 27% (533) of all covered factories have completed the remediation required after their initial inspection.
- Approximately 43% (842) of all covered factories had their initial inspection in 2014. Of these, just more than half have completed their initial remediation, 18% became ineligible due to non-compliance with Accord requirements, and less than half are still working on the remediation measures.
- 92 factories were inspected from 1 September to 30 November 2023. 73 of these factories are still 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.

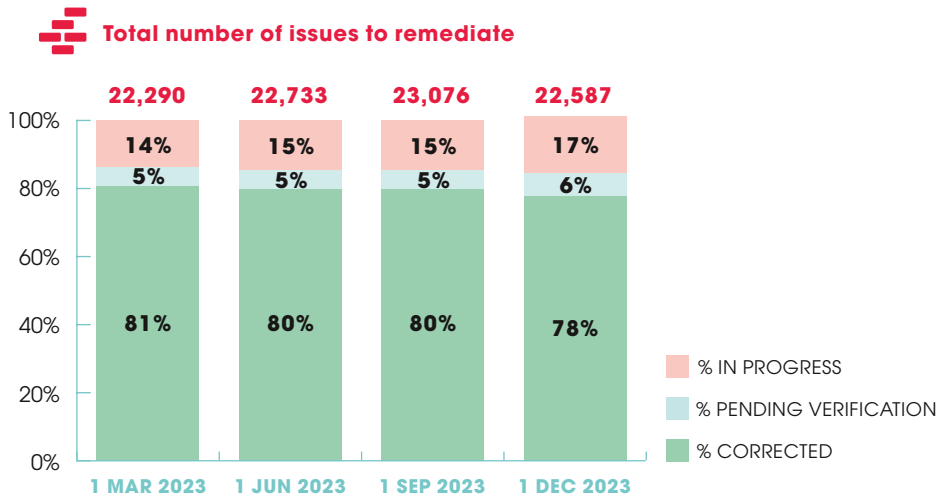
9. The factory does not agree to implement the CAP and as a result the supplier is ineligible for business with Accord signatory companies (see Section 8. Non-compliant suppliers).

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

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. 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 total issues found and overall structural remediation rate have decreased in the last quarter due to factories no longer being covered by the Accord/RSC.

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		
	JUN 2023	SEP 2023	DEC 2023	JUN 2023	SEP 2023	DEC 2023
Lack of load management plan	874	872	860	55 (6%)	52 (6%)	48 (6%)
Inconsistency between building plan and drawings	1,013	1,011	1,002	142 (14%)	130 (13%)	132 (13%)
Incorrect implementation of existing load management plan	832	830	662	67 (8%)	63 (8%)	54 (8%)
Lack of design check against lateral load	724	724	722	125 (17%)	118 (18%)	119 (16%)

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%-16% of factories are yet to remediate adequately.
- The slight decrease in the number of factories from September and December with these structural safety findings can be explained by factories no longer being covered by the Accord/RSC.
- 13% of the 1,050 factories with inconsistent building plans and drawings are yet to remediate this item.

FIGURE 2.5 STATUS OF DETAILED ENGINEERING ASSESSMENTS 'DEA'

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 DEA status may become outstanding again if the building's structure is later modified, even if the DEA was previously accepted.

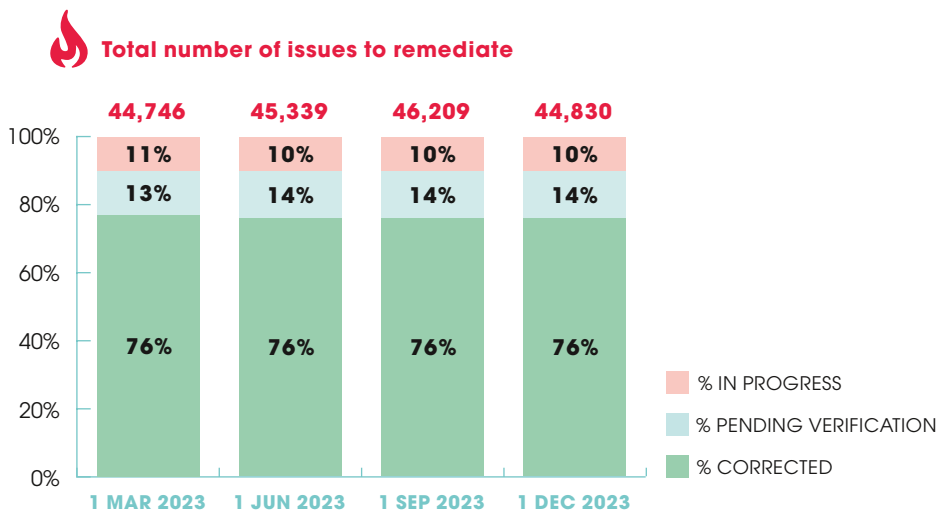
	MAR 2023	JUN 2023	SEP 2023	DEC 2023
Factories required to conduct a DEA	1,143	1,136	1,135	1,124
DEA accepted and verified	973	1,042	1,026	1,000
Factories with DEA outstanding	170	94	109	124

KEY POINTS

- Around three quarters of covered factories (1,124 of 1,701) were required to conduct a DEA to check the structural integrity of their buildings. The number of factories requiring DEAs has decreased from 1,135 in September 2023 to 1,124 in December 2023 due to factories being released by brands.
- As of December 2023, 1,000 factories 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 and factories acquiring the No Brand status.
- 11% 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 total issues found has decreased over the last quarter due to factories no longer being covered by the Accord/RSC.

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		
	JUN 2023	SEP 2023	DEC 2023	JUN 2022	SEP 2023	DEC 2023
Lockable/collapsible gates	1,029	1,116	1,087	3 (0,3%)	5 (0,4%)	8 (0,7%)
Inadequate egress lighting	1,063	1,260	1,228	25 (2%)	57 (5%)	42 (3%)
Lack of fire separation in hazardous areas	996	1,119	1,093	70 (7%)	77 (7%)	73 (7%)
Non-compliant exit stair openings	1,078	1,297	1,270	104 (10%)	207 (16%)	185 (15%)
Storage in means of egress	962	1,128	1,112	8 (1%)	25 (2%)	22 (2%)

KEY POINTS

- The fire safety issues above were found at approximately 65% of the covered factories.
- The decrease in the number of factories from September to December where the finding was identified can be explained by factories being released by brands becoming No Brand.
- Despite the increase in number of factories where finding is still outstanding, there has been most progress in removing lockable / collapsible gates, with only 8 factories yet to do so. Most factories have managed to resolve storage blocking exit routes.
- There has been progress in addressing the least compliant issue: non-compliant exit stair openings. This usually means the emergency exit route does not lead to a safe space outside the building. Currently, 15% of factories are yet to remediate this adequately.

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 MAR 2022	1 JUN 2023	1 SEP 2023	1 DEC 2023
All safe egress measures verified as corrected	647	675	854	1,009
At least one finding related to safe egress pending verification and no finding outstanding	381	359	247	217
At least one finding related to safe egress outstanding	167	154	90	132

KEY POINTS

- 74% (1,009) of Accord covered factories have implemented all measures identified in the initial inspection to ensure safe egress; these measures have in turn been verified by RSC engineers. This highlights that more than half of the factories have successfully completed the required safe egress safety measures and have passed verification indicating fire safety readiness.
- 16% (217) 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 10% (132) of factories have not yet completed the 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.

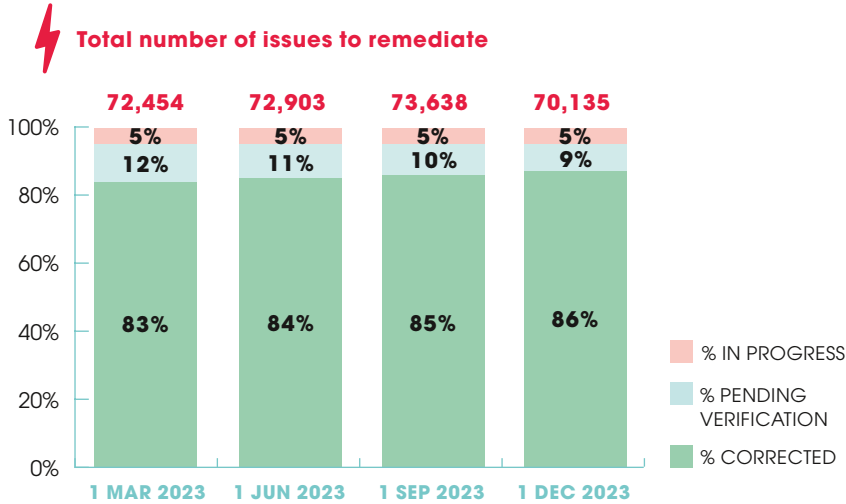
FINDING	Fire Alarm and Detection system (FADS)			Fire Suppression system (SUPS)		
	JUN 2023	SEP 2023	DEC 2023	JUN 2023	SEP 2023	DEC 2023
Factories where FADS/SUPS is required	1,473	1,485	1,526	1,188	1,206	1,228
Fire system verified as installed to standard and fully functional	442	458	478	293	310	319
Fire system installation or verification outstanding	1,031	1,027	1,048	895	896	909

KEY POINTS

- 31% (478) of factories that need to install a fire alarm and detection system have completed the installation and verification by the Accord/RSC.
- 26% (319) 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 measures at covered factories, thus impacting worker safety.

FIGURE 2.10 ELECTRICAL REMEDIATION STATUS

Electrical remediation 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 panels.



KEY POINTS

- Electrical remediation has progressed further than fire and structural remediation, with 86% of issues corrected.
- This may be attributed to electrical issues being relatively easier to fix and require smaller investments.
- The total issues found has decreased over the last quarter due to factories no longer being covered by the Accord/RSC.
- 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		
	JUN 2023	SEP 2023	DEC 2023	JUN 2023	SEP 2023	DEC 2023
Lack of cable support and protection	711	708	1,409	4 (1%)	4 (1%)	164 (12%)
Lack of Lightning Protection system (LPS)	681	680	1,411	12 (2%)	12 (2%)	154 (11%)
No Single Line Diagram (SLD)	672	671	1,443	83 (12%)	78 (12%)	507 (35%)
Inadequate circuit breakers	614	610	1,244	17 (3%)	12 (3%)	188 (15%)
Hazardous accumulation of dust and lint on electrical equipment	613	611	1,200	0 (0%)	0 (0%)	54 (5%)
Unsafe earthing equipment	673	554	1,129	1 (0,1%)	0 (0%)	37 (3%)

KEY POINTS

- The electrical safety issues above were found at around 75% of factories. There has been a steep increase in the number of factories where six of the most common electrical findings were identified. This is due to the categorisation of around 50,000 uncategorised items in the last past quarter.
- In the past quarter, there has been a decrease in factories with outstanding issues pertaining to the 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 35% 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 (CSO). 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 REQUESTS¹¹

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	DEC 2023
FINANCE REQUESTS	Pending (including Hold)	14	8	9	4 ¹²
	Resolved	76	77	78	79
	Currently referred to the Steering Committee	0	1	1	NA ¹³
	Dismissed	58	61	61	63
	No longer applicable (factories closed, ineligible or relocated)	42	44	44	44
TOTAL	190	191	193	190	

KEY POINTS

- All finance request cases are on hold until March 2024 to allow for signatories to re-sign the 2023 International Accord and Bangladesh Safety Agreement and to submit an accurate factory list.
- 190 factories currently covered by the Accord, have at some point, made a request for financial support.

FIGURE 2.13 STATUS OF FACTORY REMEDIATION FUND

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

11. All statuses.

12. No pending status, only hold due to the renewal of the 2023 International Accord and Bangladesh Safety Agreement. Awaiting for brands to re-sign.

13. No cases currently referred to the SC due to the renewal of the 2023 International Accord and Bangladesh Safety Agreement. There were 3 cases referred to the SC in October 2023.

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.

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

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

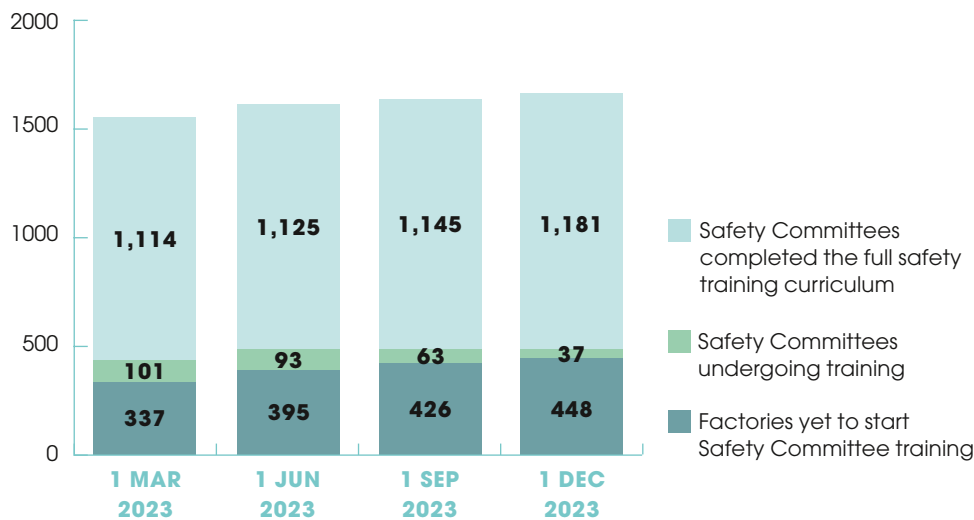
3. SAFETY COMMITTEE & SAFETY TRAINING PROGRAM

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.



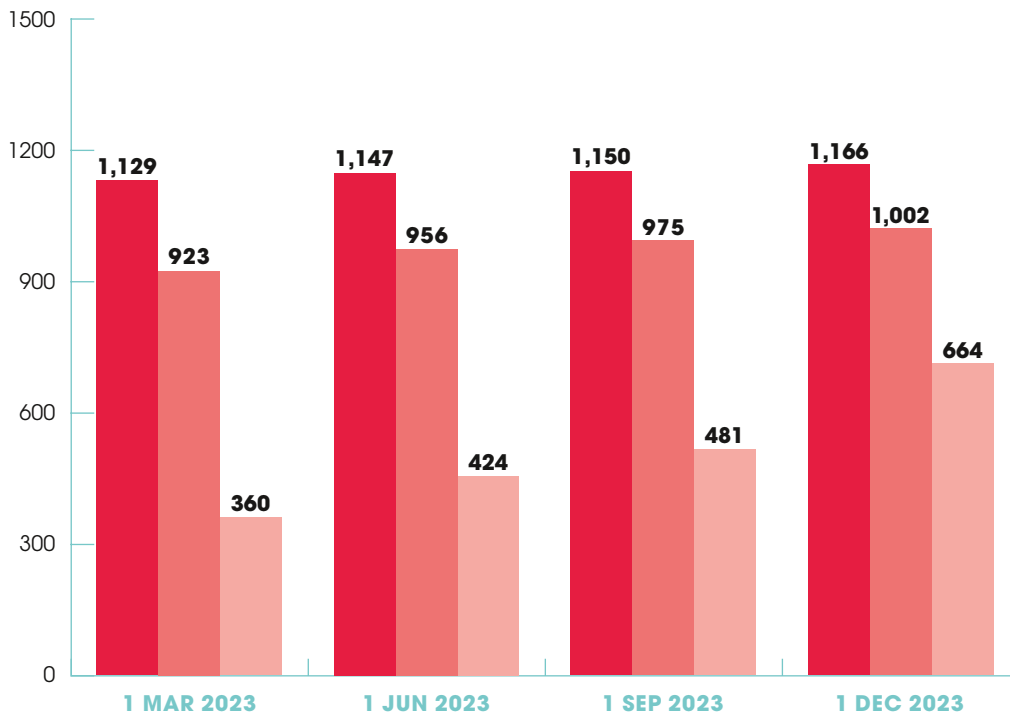
KEY POINTS

- In the past quarter, there has been an increase of 22 factories awaiting the start of Safety Committee training, leaving 448 yet to begin the program.
- 72 Safety Committees are undergoing the training program.
- 1,181 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 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.

FACTORIES



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

TOTAL PARTICIPANTS: 01/09/23: 1,907,586

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

TOTAL PARTICIPANTS: 01/09/23: 1,721,888

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

TOTAL PARTICIPANTS: 01/09/23: 1,238,214

KEY POINTS

- To date, over 1.9 million workers at 1,166 Accord covered factories have participated in at least the first AEM regarding safe evacuation and common factory safety hazards.
- Over 1.2 million participants have attended all three AEMs as of 1 December 2023.

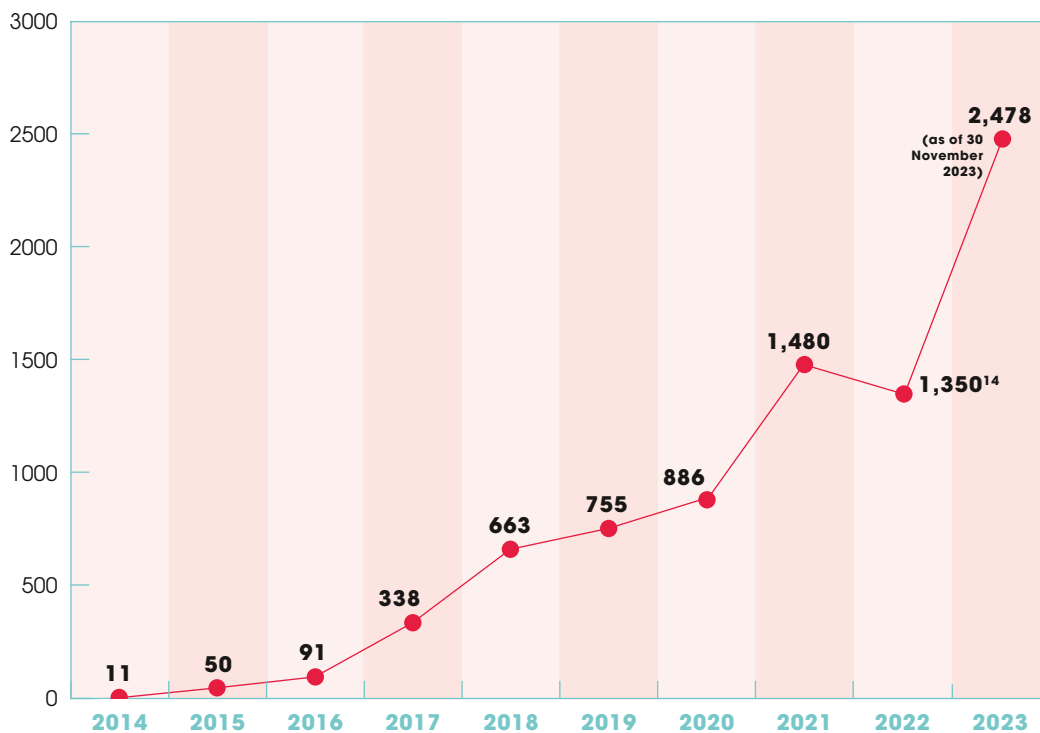
4. COMPLAINTS MECHANISM

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

COMPLAINTS



KEY POINTS

- There have been 2,478 complaints filed with the Accord/RSC complaints mechanism between 1 January 2023 to 30 November 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 relevant authorities.

	1 MAR 2022	1 JUN 2023	1 SEP 2023	1 DEC 2023
Occupational Safety & Health (OSH)	2,205 (36%)	2,357 (35%)	2,480 (34%)	2,591 (32%)
Non-OSH	4,079 (66%)	4,548 (67%)	5,004 (68%)	5,511 (68%)
TOTAL COMPLAINTS (UNIQUE)	6,165	6,786	7,368	8,102

KEY POINTS

- To date, a total of 8,102 complaints have been raised through the Accord Complaints Mechanism.
- Out of these, 2,591 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 5,511 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 in the past quarter. More than two thirds of all complaints are outside the scope of the complaints mechanism and are therefore not investigated. These complaints are referred to the responsible company signatories.

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

	1 MAR 2022	1 JUN 2023	1 SEP 2023	1 DEC 2023
Engineering (structural/fire/electrical safety)	230	244	251	252
Working environment related	1,954	2,034	2,125	2,234
Reprisal for having filed a complaint	51	55	58	63
TOTAL OSH COMPLAINTS (UNIQUE)	2,205	2,357	2,480	2,591

KEY POINTS

- To date, a total of 2,591 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 109 complaints concerning the working environment, one complaint 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

	MAR 2022	JUN 2023	SEP 2023	DEC 2023
Resolved	964	1,023	1,099	1,229

KEY POINTS

- In the past quarter, 130 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

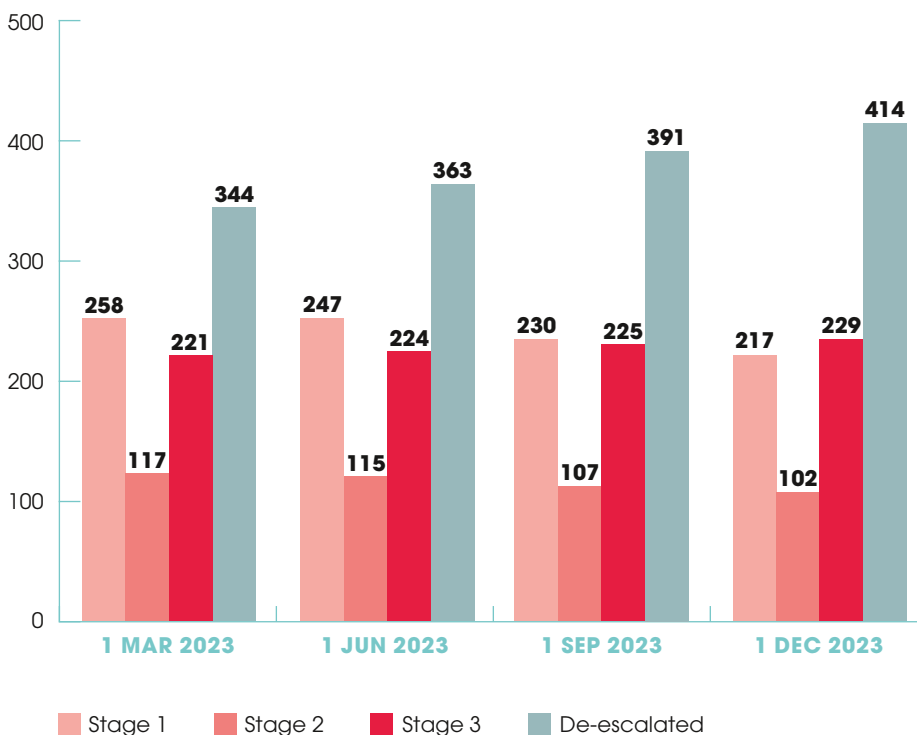
Stage 3: Termination of business relationship with signatory companies if the factory still fails to meet safety requirements within timelines set by the Chief Safety Officer.

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 this quarter, the number of factories in Stage 2 escalation decreased by five, bringing the number to 102.
- Four factories were escalated to Stage 3, meaning signatory companies were required to terminate their business relationship with these supplier facilities.
- The number of Stage 3 factories is lower than factories with the Ineligible status because not all Ineligible factories have a Stage 3 status (i.e., group escalation).
- 23 factories were de-escalated, meaning they adequately resolved the non-compliances and took steps to participate fully in the required safety programs.

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 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

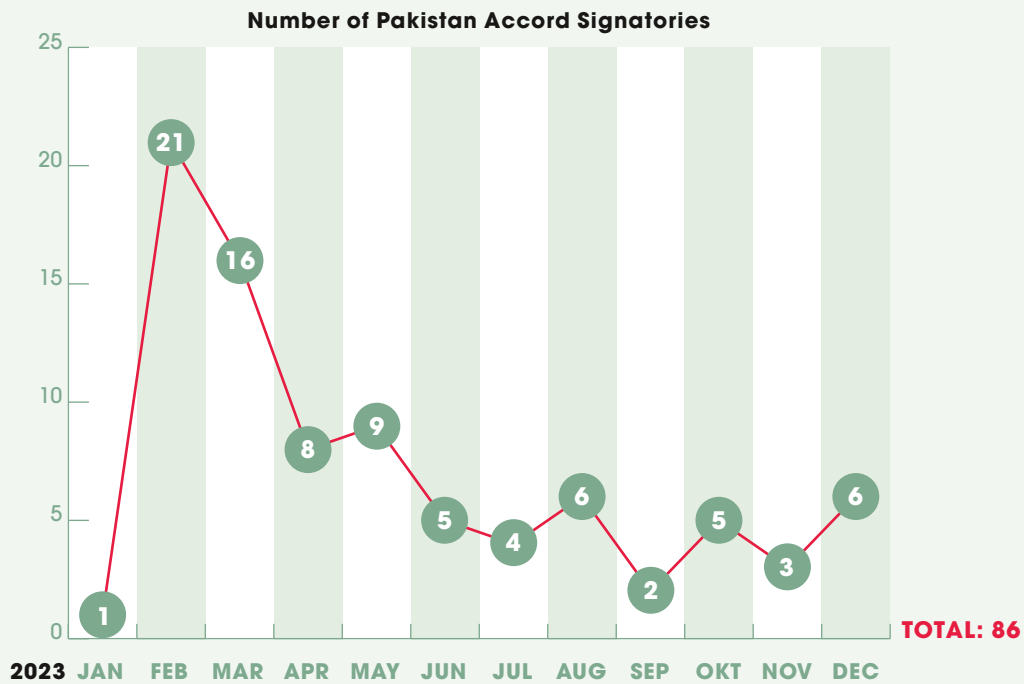
BACKGROUND

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 Pakistan Accord will continue as a CSSP Addendum under the renewed International Accord framework agreement effective 1 November 2023.

The Pakistan Accord aims to ensure worker health and safety in the garment and textile supply chains of signatory companies sourcing in Pakistan. The full text of the Pakistan Accord is available [here](#).

SIGNATORY BASE

Signatories to the Accord were invited to sign the Pakistan Accord starting 16 January 2023. Since then, there has been a steady rise in the number of signatories. **By 1 December 2023, the number of Pakistan Accord signatories had surpassed 80.** In this quarter, 14 new global brands and retailers have joined the signatory base including Boohoo Group PLC, Lidl (Gesellschaft und Umwelt International), Adidas and Asos. Multiple brands are finalising their internal approvals and documentation, and as a result, the signatory base is expected to rise in the coming months. By 1 December, 86 global brands and retailers had signed the Pakistan Accord. These brands source over US\$2.5 billion worth of goods from more than 496 facilities in Pakistan with over 550,000 workers.



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 under the Pakistan Accord.

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 September to December, the Accord did not publish new supplier lists due to the development of the factory database on Fair Factories Clearinghouse (FFC).

Based on the factories listed by signatory brands as of December 1, 2023, most of the product types at the 496 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 35 listed factories was missing as of December 1, 2023.

FIGURE 1

PRODUCT TYPE	NUMBER OF FACTORIES
RMG	361
Home Textiles	88
Fabric Accessories	12
Missing Information	35
GRAND TOTAL	496

The most common process type at the listed factories is Cut-Make-Trim (CMT) only, followed by Integrated CMT and fabric mills. The categories with the lowest number of factories are non-integrated fabric mills and other processes. Information about the breakdown of production processes at 73 listed factories was missing as of 1 December 2023.

FIGURE 2

PRODUCTION PROCESSES	NUMBER OF FACTORIES
CMT only	241
Integrated CMT & fabric mill	113
Fabric mill only	25
Other processes	44
Missing Information	73
GRAND TOTAL	496

PAKISTAN ACCORD BUILDING STANDARD

In the previous quarter, the International Accord Secretariat reviewed Pakistani building codes and developed a draft of the Pakistan Accord Building Standard (Standard). The Standard addresses and establishes minimum criteria to minimise danger to life from fire, electrical, structural and boiler safety. In addition, it covers the protection from storage, use, and handling of hazardous substances. In this quarter, the International Accord team finalised the Standard and incorporated recommendations from engineering and building code experts in Pakistan. The Standard was launched in a series of webinars for covered suppliers and signatory brands between September and October.

The Pakistan Accord Building 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. The full Standard is available [here](#).

PROTOCOL DEVELOPMENT

The International Accord started developing a Protocol Pack for the effective implementation of the Pakistan Accord. This Protocol Pack is based on the key principles of the Pakistan Accord and comprises the following protocols:

- Factory Disclosure Protocol: Requirements for maintaining and disclosing accurate factory lists in line with commitments to transparency and reporting (Section IX).
- Brand-Intermediary Fee Calculation and Cooperation Protocol: Rules for fee calculations and cooperation mechanisms in line with commitments to assure that intermediaries support signatories' efforts to fulfill their obligations under the Pakistan Accord (Section II).
- Inspections & Remediation Protocol: Processes for credible inspections and the development of Corrective Action Plans (CAPs) in line with signatory commitments to required factory remediation (Sections V and VI).
- Financing Remediation Protocol: Financial and commercial arrangements to support necessary factory remediation in line with commitments to ensuring factory financial feasibility of remediation (Section X).
- Escalation Protocol: Steps for escalating issues when factories fail to comply with safety standards in line with commitments to requiring factory remediation (Section X).
- Factory Closure & Relocation Protocol: Procedures for safely closing or relocating covered factories in line with commitments to maintain workers' employment relationships and regular income during a period that a factory is closed for remediation (Section VI).

PROGRAM ROLLOUT

The Accord conducted the first round of initial inspections at factories supplying to Pakistan Accord brands in Lahore and Karachi between 16 – 28 October 2023. The inspections were conducted at four newly listed facilities and four facilities that were part of the pilot safety assessments conducted between November and December 2022.

The team, comprising engineers from Arup and representatives from the International Accord, including Danielle Antonellis (Technical Advisor, Pakistan Accord), Brad Loewen (Technical Consultant & Former Chief Safety Inspector of the Bangladesh Accord), assessed fire, electrical and structural safety at these supplier facilities, based on the Pakistan Accord Building Standard. Zulfiqar Shah (Country Manager, Pakistan Accord) and Veronique Camerer (Head of Policy & Accountability, International Accord) joined the team of engineers and conducted side meetings with a number of key local stakeholders.

The participating factories demonstrated commitment to ensuring workplace safety, receptiveness to feedback, and preparedness throughout the initial inspection process. As of 1 December 2023, 12 factories have undergone fire, electrical and structural initial inspections.

FIGURE 3

	1 NOV 2023	1 DEC 2023
No. of factories	8	4

In the coming months, the Accord inspections program will be rolled out at additional factories. Moreover, the newly hired engineers will undergo capacity building training to equip them with the technical knowledge and practical skills necessary to effectively conduct factory inspections and produce reports that identify remediation actions under the Pakistan Accord.