

# Signatory Monitoring Report

## **BANGLADESH SAFETY AGREEMENT**

A Country-Specific Safety Program  
of the International Accord

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# Introduction

## AIMS

This report aims to provide an overview of the commitments made under the Accord by signatory companies and the Global Union Federations, IndustriALL and UNI Global Union, describe the role signatory companies currently play in the implementation of Accord programs, and identify areas where action is recommended for signatory companies to further meet their obligations of ensuring workplace safety, given the current level of program implementation. The report places this discussion in the context of human rights due diligence and explains how the Accord/RSC provides the means for signatory companies to conduct due diligence in relation to occupational safety and health.

## INTERNATIONAL ACCORD

The International Accord for Health and Safety in the Textile and Garment Industry (International Accord) is a legally-binding agreement whereby the Global Union Federations, IndustriALL Global Union and UNI Global Union, and over 200 signatory companies commit to the goal of a safe and sustainable garment and textile industry in Bangladesh and Pakistan in which no worker needs to fear fires, building collapses, or other accidents that could be prevented with adequate health and safety measures.

The International Accord implements the following three core programs:

- Inspections and Remediation;
- Safety Committee and Safety Training; and
- Safety Complaints Mechanism.

Transparency is a fundamental principle of the International Accord, and the RSC as set out in its Articles of Association. By publishing inspection reports and corrective action plans on a factory-by-factory basis, safety complaints and annual/quarterly reports, the International Accord and the RSC promote transparency and accountability amongst brands, trade unions, factories and workers in the textile and garment supply chain.

## BANGLADESH SAFETY AGREEMENT

Since 2020, the Accord programs together with the reporting and disclosure requirements of the Accord, are implemented in Bangladesh through the RMG Sustainability Council (RSC) under the Bangladesh Safety Agreement (BSA), a Country-specific Safety Program of the International Accord. The International Accord and the RSC share responsibility for reporting and the International Accord is responsible for monitoring and engaging with signatory brands on their obligations arising out of the Bangladesh Safety Agreement, as reflected in the RSC's Articles of Association.

## MEETING DUE DILIGENCE OBLIGATIONS

The legally-binding International Accord agreement (including its Country-specific Program the Bangladesh Safety Agreement) is the foremost example of companies entering directly into sectoral agreements with global trade unions. **Such sectoral agreements are recognised as a way for companies to conduct due diligence to address specific sector risks (see BOX 1).** The Accord agreement provides the means for signatory companies to conduct due diligence with regard to occupational safety and health:

- **Identify and assess adverse impacts in supply chains:**
  - Inspections identify and assess electrical, fire, structural and boiler safety issues;
  - Safety Training 'Walk-throughs' identify and assess a range of safety issues;
  - Complaints filed by workers identify a range of safety and health related adverse impacts that are assessed by the Complaints Team.
- **Cease, prevent or mitigate:**
  - Corrective action plans (CAPs) set out remediation steps for electrical, fire, structural, boiler safety issues;
  - The Safety Training Team builds the capacity of the Safety Committee to address and prevent safety and health adverse impacts;
  - The Complaints Team incorporates preventative measures into remedies, as appropriate, and makes announcements at the factory on complaint safety issues that affect multiple workers;
  - The Escalation Protocol sets out the process for responsible disengagement, including a notice period, in the event that suppliers fail to implement the required remediation and therefore the factory is deemed non-compliant (see BOX 1).
- **Track implementation and results:**
  - The Remediation Team tracks factory responses and updates to CAPs;
  - Engineers conduct follow-up inspections that track progress in remediation;
  - Safety Trainers monitor the activities of the Safety Committee in addressing safety matters;
  - The Complaints Team verifies the implementation of the remedy prior to closing a complaint.
- **Communicate how impacts are addressed:**
  - Inspection reports and CAPs are published on the Fair Factory Clearinghouse data platform, which is accessible to signatory companies;
  - Inspection reports, CAPs, training statistics, aggregate statistics on the number and nature of complaints and individual summaries of complaints are published on Accord/RSC web sites.
- **Provide for or cooperate in remediation:**
  - Commitments to negotiate commercial terms with suppliers that make remediation of electrical, fire, structural and boiler safety issues financially feasible.

The Accord/RSC also provide a collaborative sectoral Complaints Mechanism, in line with international standards.

**BOX 1: INTERNATIONAL GUIDANCE ON CONDUCTING DUE DILIGENCE<sup>1</sup>**

**Identify and address adverse impacts:** companies should undertake human rights due diligence in order to identify and address adverse impacts in their operations, supply chains and business relationships.

**Prevention:** due diligence should be first and foremost *preventative*. When adverse impacts do occur, companies should provide remedy where they have caused or *contributed* to those impacts.

**Leverage:** companies should use leverage to address adverse impacts in their supply chains and seek to increase their leverage when, individually, they lack leverage.

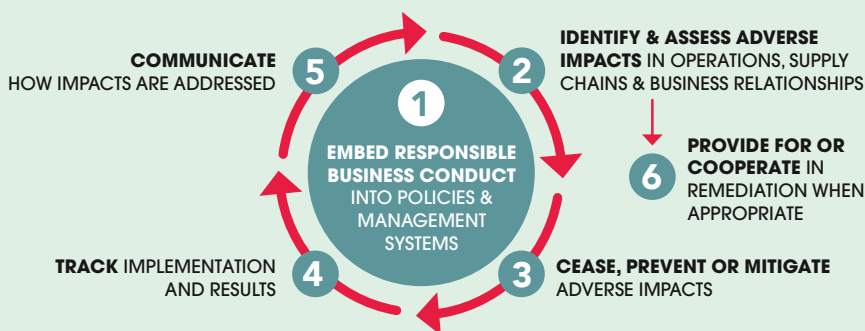
**Responsible disengagement:** companies may disengage if suppliers fail to implement the required remediation, preventing or mitigating the harm is not feasible, the harm is severe as may be the case on safety issues. Responsible disengagement includes compliance with national laws, international labour standards and the terms of collective bargaining agreements, providing information on the decision to both management and unions, and providing sufficient notice.

**Collaboration at sectoral level:** companies are encouraged to collaborate at sector level, including through legally binding company-trade union agreements, as a way to conduct due diligence.

**Stakeholder engagement:** companies should undertake meaningful stakeholder engagement throughout all stages of the due diligence process and in particular in relation to on-site supplier assessments, development of CAPs, verification and monitoring of impacts, design of grievance mechanisms.

**Grievance mechanisms:** companies should establish or participate in grievance mechanisms so that grievances can be addressed early and remediated directly. The UN Guiding Principles on Business and Human Rights (UNGPs) underline the importance of collaborative initiatives making available effective mechanisms for providing remedy (Art. 30).

===== **DUE DILIGENCE PROCESS & SUPPORTING MEASURES** =====



1. The OECD has developed the authoritative international guidance (cross-sectoral and sectoral) on implementing the due diligence provisions of the UN Guiding Principles on Business and Human Rights (UNGPs), including for the Garment and Footwear sector: OECD Due Diligence Guidance for Responsible Business Conduct <https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>. OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector: [https://www.oecd-ilibrary.org/governance/oecd-due-diligence-guidance-for-responsible-supply-chains-in-the-garment-and-footwear-sector\\_9789264290587-en](https://www.oecd-ilibrary.org/governance/oecd-due-diligence-guidance-for-responsible-supply-chains-in-the-garment-and-footwear-sector_9789264290587-en). The FIGURE on 'Due Diligence Process & Supporting Measures' is provided in OECD Due Diligence Guidance for Responsible Business Conduct: <https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>.

## ROLE OF ACCORD BRANDS IN THE DUE DILIGENCE PROCESS

Signatory brands play a vital role at different stages of the due diligence process:

- Collectively support the financing of the RSC programs;
- Collectively support the Accord/RSC in capacity development;
- Submitting regular, updated factory lists to ensure timely roll-out of the Accord/RSC's programs;
- Engaging in Accord/RSC events and meetings directed at supporting factories in carrying out the remediation, safety training and complying with the Complaints Mechanism process;
- Working with peers (through a "Lead Brand" system) to coordinate remediation support to factories;
- Applying incentives to ensure effective remediation of a factory's CAP;
- Exercising collective leverage where required to induce factory compliance.

## OVERALL PROGRAM STATUS<sup>2</sup>

As of 1 September 2023:

- Average initial progress rate of 1,681 covered and inspected factories is 92%
- The 1,382 factories initially inspected more than 4 years ago (between 2013 and 2019) have an average initial progress rate of 97%;
- Since Accord inspections started in 2013 and continued by the RSC in 2020, 514 factories have completed remediation of their initial CAP;
- The Safety Training Program has commenced in 1,252 factories:
  - 1,145 factories out of 1,681 factories have completed the Safety Committee Training Program;
  - 1,150 factories have undergone the first All Employee Meeting, 975 have undergone the second All Employee Meeting, and 481 have undergone the third All Employee Meeting;
- 2,480 OSH complaints and 5004 non-OSH complaints have been filed using the RSC/ Accord Complaints Mechanism, and over 1570 complaints have been resolved.

While program implementation in Bangladesh is at an advanced stage, the details laid out below explain the substantial work outstanding and additional actions to be taken by brands to meet fully the requirements of the Accord to ensure workplace safety. Moreover, continued monitoring by the RSC is necessary to maintain the safety levels of remediated factories. It is a commitment of the RSC and signatories to the BSA to sustain safe and compliant production through regular monitoring and remediation. Once a factory achieves minimal levels of safety, it is imperative that the necessary investments from brands and suppliers are made to ensure factories are kept safe.

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<sup>2</sup> The data in this report is based on data as of 1 September 2023, which coincides with data at the end of third quarter and before the expiration of the 2021 International Accord. Note this information does not yet include the data regarding boiler inspections, expected to be made publicly available by the RSC in the second quarter of 2024. The inclusion of boiler data will affect overall remediation progress at factories.

## II

# Inspections & Remediation

## Signatory Obligations under the BSA

### Article 16

Where corrective actions are identified by the CSO as necessary to bring a factory into compliance with occupational health and safety standards, the signatory company or companies that have designated that factory as their supplier shall require the factory to implement these corrective actions according to a defined schedule that is mandatory and time-bound, with sufficient time allotted for all major renovations.

### Article 30

Each signatory company shall require its suppliers to participate fully in the inspection, remediation, complaint process and occupational health and safety training activities, and obtain assurances from its suppliers as a condition for doing business.

The Bangladesh Safety Agreement requires inspections to be conducted by engineers who are specialised in fire, structural, electrical, or boiler safety and are acting independently of any of the Accord/RSC parties. The engineers assess factories' compliance with the RSC Technical Guidelines (Standard) under the supervision of the RSC's independent Chief Safety Officer (CSO). The Standard establishes minimum criteria to identify and prevent danger to life from fire, structural, electrical and boiler hazards. The safety engineers produce reports of the safety hazards they identify.

The following section provides an overview of progress of remediation in Bangladesh and how signatory brands can fulfil their obligations under the Accord to require full factory remediation.



***As of 1 September 2023, 90% of the fire related CAP items are remediated at Accord covered factories.***

Fire safety engineers inspect factories to assess adequacy of safe egress, fire containment, early warning systems and fire prevention. Typical remediation includes establishing and maintaining adequate exit routes, installing certified fire doors, constructing fire-proof separations and installing, testing and commissioning a fire alarm system and a fire suppression system.

## **1. SAFE EGRESS**

Safe egress issues include the removal of collapsible and lockable gates, clearing of storage in exit routes and the fire protection of hazardous areas and staircases. Ensuring safe egress is critical for the safe evacuation of workers in the event of a fire.

### **Collapsible & Lockable Gates**

Collapsible and lockable gates are identified in a factory's CAP as items to be immediately remediated and at the latest within 3 days of their discovery.

**Progress:** As of 1 September 2023, 2,823 collapsible and lockable gates have been found since the start of operations in Bangladesh in 2013. Of these, 2,715 have been remediated and 108 are pending remediation (7 In Progress and 101 Pending Verification).

### **Fire Protected Hazardous Areas & Staircases**

Hazardous areas and staircases must be fire protected to contain and minimise the progression of the fire throughout the factory. This serves a dual purpose: it will provide garment workers with extra time to safely evacuate and contain fire propagation while emergency fire services arrive to put out the fire.

**Progress:** As of 1 September 2023, 1,239 fire protected hazardous areas and staircase related CAP items have been found since the start of operations in Bangladesh. Of these, 949 have been remediated and 290 are pending remediation (88 In Progress and 202 Pending Verification).

### **Storage in Means of Egress**

The storage of items in the means of egress are identified in a factory's CAP as items to be immediately remediated and at the latest within 3 days of their discovery. The presence of storage in staircases and means of egress greatly endangers the life and safety of garment workers in the case of a fire incident and can be the cause of accidents during an emergency evacuation.

**Progress:** As of 1 September 2023, 2,494 'storage in means of egress' related CAP items have been found since the start of operations in Bangladesh. Of these, 2,233 have been remediated and 261 are pending remediation (31 In Progress and 230 Pending Verification).



 **Signatory Action**

**Recommended Signatory Action:** In line with signatory brands’ obligations under the Accord, more actions can be taken to integrate findings from RSC inspections across their internal functions and processes and take appropriate action with related suppliers:

<p><b>Internally Process findings from RSC inspections</b></p>	<ul style="list-style-type: none"> <li>● Review each supplier’s CAP.</li> <li>● Determine whether the factory has or is in the process of addressing safe egress findings listed in the CAP, and in particular open immediate findings.</li> </ul>
<p><b>Appropriate Actions with Suppliers and Accord/RSC</b></p>	<ul style="list-style-type: none"> <li>● If the findings have been remediated but not verified, engage with the factory to ensure it has communicated any progress updates to the RSC accompanied by pictorial evidence.</li> <li>● If the findings have not been remediated, discuss with the factory the challenges it might be facing, whether technical or financial.</li> <li>● Support the factory in addressing any challenges with the assistance of the RSC and/or the Accord.</li> <li>● Avoid audit fatigue and confusion around safety requirements with additional safety inspections.</li> <li>● If a factory is uncooperative or failing to address the safe egress requirements within the timelines set by the RSC, raise the concern with the RSC and/or Accord.</li> <li>● Fully support the RSC Escalation Protocol by following up on escalation notices issues by the RSC and actively engaging with the factories to support the remediation of the escalation issues.</li> <li>● <b>Continue sourcing from the factory to incentivise them to remediate unless and until the factory is escalated to Stage 3 of escalation</b>, in which case terminate the business relationship in line with the principles of responsible disengagement.</li> </ul>

## 2. FADS & SUPS

Fire Alarm Detection Systems (FADS) and Fire Suppression Systems (SUPS) are commonly referred to as FADS & SUPS. FADS & SUPS are considered ‘big-ticket’ items, and their complete installation is complex and costly (see Box #1 in Annex for more information on the FADS & SUPS installation process).

The installation of the FADS has important life-saving value as it alerts building occupants to the presence of a fire and allows them to evacuate safely. The life-saving value of a SUPS depends on building height, which is required at 75 feet under the RSC Technical Guidelines (Standard). An automated sprinkler system can reduce property damage but most importantly, the chance of a fire spreading and thereby increase the chance of survival should people be trapped inside.

### BOX 2: T&CVI PROCESS

**Review of the documentation by the RSC (“Desktop Review”):** The factory provides the FADS/ SUPS as-built designs for thorough review by the RSC engineers, who determine whether a Pre-T&CVI inspection can proceed. If confirmed, the status of the related CAP items are changed from In Progress to Pending Verification.

**Pre-T&CVI inspection:** During a Pre-T&CVI inspection, the RSC engineers thoroughly verify the installation integrity of all equipment and that the documents and designs reviewed match the installation, in order to determine readiness for full T&CVI.

**Full-T&CVI Inspection:** During a Full-T&CVI inspection, the RSC engineers test the proper functioning of the FADS and/or SUPS.

**Final Verification:** Minor issues are often detected during the Full-T&CVI Inspection. Once the factory addresses the remediation of those minor findings, the RSC engineers return to the factory for a final verification. If those findings are completed, the related CAP items statuses are changed from Pending Verification to Corrected.

**Progress:** As of 1 September 2023, out of the 1680 Accord covered factories:<sup>3</sup>

	Not started	Ongoing	Desktop Review	Pre-T&CVI	Full T&CVI	Final Verification	Corrected	TOTAL
FADS	14	486	51	270	148	72	458	1,485
SUPS	17	484	43	207	102	43	310	1,189

The total number of factories that still require both FADS & SUPS is 1,186 factories. This means that over 70% of factories covered under the Bangladesh Safety Agreement lack adequate safety systems in case of a fire incident. Remediation of FADS & SUPS represents 19% of the total outstanding remediation progress at factories, with the bulk of factories being “stuck” between the pre-T&CVI and full-T&CVI inspection. In those cases, brands are sourcing from factories that continue to lack adequate fire alarm and fire suppression systems.

<sup>3</sup> Items with “Ongoing”, “Desktop Review”, and “Not Started” status will appear as In Progress on the CAP. Meanwhile, items with “Pre-T&CVI”, “Full-T&CVI”, and “Final Verification” status will appear as Pending Verification on the CAP. Naturally, items with “Corrected” status will appear as Corrected on the CAP. The 1680 covered factories includes ‘Pending Closure’ factories.

The FADS and SUPS are often left at the tail end of a factory’s CAP remediation workplan due to other necessary structural and fire modifications (i.e. fire-rated construction, retrofitting). Factories therefore only become aware of the high cost of FADS and SUPS at the later stages of remediation. As such, most factory finance requests currently being raised with the Accord relate to the remediation of FADS and SUPS. Generally, these are factories that are well into 80-90% remediation progress and have already invested significant amounts in remediation, hence the need for financial support.

 **Signatory Action**

**Recommended Signatory Action:** Signatory companies can consider intensifying their engagement to address the challenges suppliers are facing with completing FADS & SUPS installations. In this context, and in line with the Bangladesh Safety Agreement, appropriate actions would include:

<p><b>Internally Process findings from RSC inspections</b></p>	<ul style="list-style-type: none"> <li>● Review the suppliers’ CAP.</li> <li>● Understand the installation progress of a factory’s FADS and SUPS.</li> <li>● Determine whether the factory has a FADS and SUPS remediation workplan that is approved by RSC engineers and an associated finance plan.</li> </ul>
<p><b>Appropriate Actions with Suppliers and Accord/RSC</b></p>	<ul style="list-style-type: none"> <li>● Discuss with the factory the challenges it might be facing, whether technical or financial.</li> <li>● <b>Support the factory in addressing any technical challenges with the assistance of the RSC and/or financial challenges, facilitated by the Accord.</b></li> <li>● Flag to the Accord and RSC if a factory is uncooperative or failing to address the FADS and SUPS requirements within the timelines set by the RSC.</li> </ul>



**ELECTRICAL**

***As of 1 September 2023, 95% of the electrical related CAP items are remediated at Accord covered factories.***

Electrical hazards are a major source of fire risk. RSC electrical safety engineers inspect factories to assess the adequacy of cabling and wiring in the building, capacity of staff to maintain electrical safety, risk or occurrence of hotspots, and fire risk from accumulation of dust and lint around electrical components.

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

## 1. SLD SYSTEM

The engineer determines whether the correct load is reflected on the electrical systems in order to avoid electrical hazards, including fires, short-circuits, and electrical malfunctions. A fully installed SLD system requires the factory to produce the design, regularly verify its accuracy, and safekeep all design documents on the factory's premises, allowing the RSC electrical engineers to carry out inspections.

**Progress:** As of 1 September 2023, 910 SLD related CAP items have been found since the start of operations in Bangladesh. Of these, 787 have been remediated and 123 are pending remediation (79 In Progress and 44 Pending Verification).

## 2. HOT SPOTS

Hot spots are localised areas within an electrical distribution system where excessive heat accumulates. The presence of hot spots increases the risks of electrical fires and therefore requires immediate remediation.

**Progress:** As of 1 September 2023, 579 hot spot related CAP items have been found since the start of operations in Bangladesh. Of these, 579 have been remediated and 0 are pending remediation.

## 3. DUST AND LINT ON ELECTRICAL EQUIPMENT<sup>4</sup>

The presence of dust, lint and other contaminants can accumulate on electrical distribution panels and high voltage equipment. This build-up can be highly flammable and can cause electrical faults, such as arcing and short circuits, and therefore presents a serious safety hazard for factory occupants.

**Progress:** As of 1 September 2023, 591 dust and lint related CAP items have been found since the start of operations in Bangladesh. Of these, 590 have been remediated and 1 is pending remediation (1 Pending Verification).

### Signatory Action

**Recommended Signatory Action:** Factories covered under the Bangladesh Safety Agreement have largely remediated the electrical safety risks most severe to the health and safety of garment workers. That said, regular maintenance and cleaning is a crucial aspect of preventing electrical safety hazards. Accord signatories therefore have the responsibility to ensure electrical systems are adequately maintained and updated as needed to prevent further health and safety risks to workers, and must require their factories to address the outstanding items of their electrical CAPs.

<sup>4</sup> This category includes dust and lint deposit items under Generator, Transformer & Sub-Station Room and Lint & dust inside panel board items under Distribution Board & Electrical Protection Systems.



## STRUCTURAL

***As of 1 September 2023, 85% of the structural related CAP items are remediated at Accord covered factories.***

The structural issues identified by RSC engineers, which would require immediate attention due to their potential high risk are:

- The presence of cracks in columns
- The presence of undocumented water tanks
- Lack of accurate as-built drawings
- Loading concerns / the lack of a safe load plan
- The absence of guard rails or parapets
- High punching shears

The factory may also require a detailed engineering assessment (DEA), which is a detailed evaluation of the structural condition of the building in its current state, to address safety concerns arising from an initial structural inspection. The DEA includes production of accurate as-built drawings, determination of actual material strengths using data from engineering tests, information on loading, an analysis on the structural capacity of the building and detailed design of measures to strengthen elements if and where necessary.<sup>5</sup> This report is important to confirm the structural safety of a building.

**Progress:** As of 1 September 2023, 694 factories require a DEA in the operations in Bangladesh. Of these, 536 factories have an accepted and verified DEA and 158 are outstanding. In addition, the following are items that are generally marked in the CAP as requiring immediate remediation:<sup>6</sup>

<sup>5</sup> <https://rsc-bd.org/storage/app/media/Guidelines%20for%20DEA%20Documents%20submission.pdf>

<sup>6</sup> This data was collected on 1 March 2024.

	IN PROGRESS	PENDING VERIFICATION	CORRECTED	GRAND TOTAL
<b>Appearance of cracks</b>		<b>4</b>	<b>448</b>	<b>452</b>
Cracks in cantilever slabs			7	7
Cracks in column		4	160	164
Cracks in slabs and beams			138	138
Cracks on building façade or walls			42	42
(blank)			101	101
<b>Building plan &amp; drawings</b>			<b>212</b>	<b>212</b>
As-built drawings			139	139
Undocumented extension on roof			3	3
Undocumented water tanks and shed			10	10
(blank)			60	60
<b>Corrosion &amp; water related damage &amp; fire risk</b>	<b>5</b>	<b>3</b>	<b>221</b>	<b>229</b>
Corrosion on steel member	5		82	87
Dampness			9	9
Fire proofing			10	10
Waterproofing & Drainage			64	64
(blank)		3	56	59
<b>Immediate loading concern</b>		<b>3</b>	<b>1876</b>	<b>1879</b>
Demolition work			66	66
Installation of props		3	132	135
Load reduction and load restriction			861	861
Maintain load			202	202
Remove water tank			43	43
Safe Load plan			72	72
(blank)			500	500
<b>Lateral stability</b>		<b>3</b>	<b>329</b>	<b>332</b>
Absence of bracing or compression strut			23	23
Design Check against lateral load		3	65	68
Improper/poor connection details			45	45
Non-engineered shed or stairs			76	76
Stability of masonry walls			12	12
(blank)			108	108
<b>Means of Egress</b>			<b>21</b>	<b>21</b>
(blank)			21	21
<b>Missing structural elements</b>			<b>53</b>	<b>53</b>
Missing Lintel			27	27
Missing or untightened bracing			8	8
(blank)			18	18
<b>None</b>	<b>32</b>	<b>47</b>	<b>33</b>	<b>112</b>
(blank)	32	47	33	112
<b>Protection against impact and falling hazard</b>		<b>2</b>	<b>452</b>	<b>454</b>
Anchored & braced of non structural element			33	33
Construction safety practices			108	108
Guard rails or parapet wall on roof or open stair			172	172
Vehicle impact on column risk			74	74
(blank)		2	65	67
<b>Stress and Capacity of structural members (Column/beam/Slab/Foundation)</b>	<b>33</b>	<b>15</b>	<b>3432</b>	<b>3480</b>
Concrete core & Rebar strength evaluation	3		628	631
Deflection, twisting & perceivable vibrations			22	22
Demolition work			12	12
Design report	30	8	1504	1542
Foundation adequacy or settlement			10	10
High punching shear stresses			41	41
Installation of props			26	26
Load management plan		3	138	141
Load reduction and load restriction			2	2
Produce a load plan			59	59
Remedial work			96	96
Safe Load plan			2	2
(blank)		4	892	896
<b>Structural</b>	<b>17</b>	<b>26</b>	<b>38</b>	<b>81</b>
(blank)	17	26	38	81
<b>GRAND TOTAL</b>	<b>87</b>	<b>103</b>	<b>7115</b>	<b>7305</b>

 **Signatory Action**

**Recommended Signatory Action:** Factories covered under the Bangladesh Safety Agreement have largely remediated the structural risks most severe to the health and safety of garment workers. This having been said, the Accord signatories have the responsibility to require their factories to address the outstanding items of their structural CAPs and ensure adequate maintenance (i.e., loading plans, as-built drawings) to prevent further health and safety risks to workers.



**BOILERS**

RSC boiler safety engineers inspect boilers to assess the safety condition, installation configuration, safety monitoring system, and operating condition of each boiler in the factory. Remediation often involves addressing scale formation, installing adequate pressure monitoring and regulating system, correcting faulty wiring, and help developing accurate technical data sheets.

Boiler safety was added to the Accord/RSC program in 2018 in a piloting phase, following the tragic boiler explosion at Multifabs Clothing Factory on 3 July 2017 killing 10 workers.

So far, 2500 boilers have been visually inspected in 1410 factories. Full-fledged boiler inspections have been conducted for 157 boilers in 71 factories. These boiler inspections include three stages: firstly, the engineers will conduct a preliminary visual inspection; secondly, the engineers will conduct hydrostatic pressure test & internal inspection; thirdly, the engineers will conduct an external inspection including functional test.

The RSC and the Accord will make boiler CAPs available on their respective websites in the second quarter of 2024 factories having received an inspection. Once these CAPs are available, the International Accord Secretariat will provide Accord signatories with recommended actions.

The RSC is developing an implementation strategy in consultation with its Board of Directors to conduct initial inspections of all boilers. The existing RSC organisational capacities is being reviewed to reduce the existing substantial risk resulting from unchecked boilers.

### III

## Supplier Incentives

### ESCALATIONS

#### Signatory Obligations under the BSA

##### Article 30

Each signatory company shall require its suppliers to participate fully in the inspection, remediation, complaint process and occupational health and safety training activities, and obtain assurances from its suppliers as a condition for doing business. If a supplier fails to do so, the signatory company will promptly implement the required notice and warning process and ultimately terminate the business relationship in accordance with the agreed Escalation Protocol.

Factories which do not adequately participate in the safety programs required by Accord signatory companies are given a notice and warning following the Accord's escalation principles.

The escalation process involves 3 stages, with the final stage being the termination of the business relationship between the responsible brand and factory, and the ineligibility of that factory to produce for any Accord signatory company. The escalation protocol and procedures are implemented by the RSC team and the Accord Secretariat follows up on any brand-related matters such as the issuance of escalation notices, brands' engagement with factories and attendance at Stage-2 meetings.

The escalation process remains a dynamic process with factories being escalated and de-escalated once the non-compliance issues are remediated by the factories.

The table below shows the number of escalations that occur each year since 2014 to 1 September 2023 for factories that the Accord covers as of 1 September 2023.



Year	De-escalated	Stage 1	Stage 2	Stage 3	Total
2014	0	2	0	1	3
2015	0	16	0	8	24
2016	78	51	9	42	180
2017	75	35	3	28	141
2018	96	78	9	27	210
2019	76	89	34	46	245
2020	55	74	18	22	169
2021	75	131	30	25	261
2022	98	170	79	17	364
2023*	71	56	15	9	151
<b>TOTAL</b>	<b>624</b>	<b>702</b>	<b>197</b>	<b>225</b>	<b>1748</b>

\* As of 1-Sept-2023.

The following table shows the number of factories that were in a specific escalation stage on 1 September of every year between 2015 and 2023. The number of escalations has remained relatively stable over the years with 200-300 factories in Stage-1 and 100-130 factories in Stage-2.

Year	De-escalated	Stage 1	Stage 2	Stage 3	Total
2015	-	102	18	-	120
2016	86	210	67	44	407
2017	227	180	100	83	590
2018	220	333	110	124	787
2019	294	268	127	149	838
2020	319	275	111	173	878
2021	352	295	108	180	935
2022	326	228	105	206	865
2023	391	227	103	224	945

**Progress:** While factories are being escalated and de-escalated, a significant number of Accord covered factories are “stuck” in escalation.

Stage of Escalation	No. of factories in Escalation for more than a year
Stage 1	131
Stage 2	79

The reasons for factories stalling in a particular stage of escalation may be justified in cases where the factory is pending closure or in process of relocation, a financing remediation request is unresolved or remediation timeline extensions are granted. Where there is no clear justification, active brand engagement can address this issue.

### **Signatory Action**

**Current Signatory Practice:** To address such cases, the International Accord Secretariat has been engaging with responsible signatory companies on a quarterly basis regarding factories in Stage 2 of escalation and through individual brand Remediation Review Meetings.

The Secretariat's general experience is that most brands rely on the RSC to undertake that engagement with factories. While the RSC has clear role in this regard, the Accord Secretariat has noted **that escalated factories respond well to direct, regular and constructive engagement from the brands, by addressing potential challenges factories are facing and offering support to remediate the CAP.**

However, to penalise, disengage or disinvest before a factory reaches Stage 3 of escalation undermines a brand's responsibility to require factory remediation. Brand disengagement before the RSC CSO's determination to escalate a factory to Stage 3 also undercuts the escalation protocol, which is truly effective when the leverage of the brands can be exercised. Finally, disengagement of brands before the end of the escalation process counteracts the principle of responsible disengagement under the Accord.

The International Accord Secretariat will engage with brands through periodic Remediation Review Meetings and on a case-by-case basis to address such situations.

**Recommended Signatory Action:** Signatory companies of the Bangladesh Safety Agreement have at their disposal multiple courses of action to improve their engagement strategies with escalated factories:

<p><b>Constructive Engagement</b></p>	<ul style="list-style-type: none"> <li>● Review the factory’s escalation notice(s) and corresponding CAP to understand the reasons for escalation.</li> <li>● To conduct regular engagement meetings with the Accord/RSC in the presence of the supplier.</li> <li>● Review the brands’ full factory base to identify any outstanding issues as elaborated in the previous section, the extent to which timelines have passed and make clear to the supplier its requirement that it should cooperate fully with in the remediation process of its CAP.</li> <li>● Follow-up with the factory to develop a work plan on addressing escalation issues to avoid Stage 2 and support de-escalation at the earliest, and address other remediation items with expired timelines.</li> <li>● Identify the challenges the factory might be facing, whether technical or financial.</li> </ul>
<p><b>Commercial Leverage</b></p>	<ul style="list-style-type: none"> <li>● Continue and/or increase the brand’s business relationship with the factory. Factories in escalation need more support from their brands to afford the remediation of their items. By disengaging early, brands make it more difficult for factories to remediate leaving unsafe factories in the market, thereby endangering the life and health of its workers.</li> <li>● Negotiate commercial terms to ensure outstanding remediation is financially feasible for the factory.</li> </ul>
<p><b>Broader Business Leverage</b></p>	<ul style="list-style-type: none"> <li>● Leverage that a brand can exercise through activities that are not routine in commercial relationships, e.g. capacity building/engineering expertise at the brand’s disposal, in close collaboration with RSC to avoid double auditing.</li> </ul>
<p><b>Supplier Assurances</b></p>	<ul style="list-style-type: none"> <li>● Obtain assurances that suppliers shall participate fully in Accord/RSC processes. These can take the form of written contractual assurances.</li> </ul>
<p><b>Collective Leverage with other Accord Brands</b></p>	<ul style="list-style-type: none"> <li>● Use leverage with other responsible brands (if applicable), in coordination with the Lead Brand, to require factory cooperation and remediation.</li> <li>● If the Lead Brand for a factory, assume a leading and coordinating role in engaging with the factory to remediate the issues.</li> <li>● Apply the Accord/RSC’s escalation protocol with other responsible Accord brands to alert factory of non-compliance and induce remediation.</li> <li>● Where known to the brand, engage with non-Accord peers sourcing from the factory to encourage their participation in the Accord/RSC program and make them aware of the persisting safety risks in the factory.</li> </ul>
<p><b>Responsible Disengagement</b></p>	<ul style="list-style-type: none"> <li>● The option of termination from the start under the Accord/RSC’s escalation protocol is an important source of leverage, and the threat of termination can be a powerful incentive for improved compliance.</li> <li>● Disengagement for non-remediation under the Accord is an option of last resort and should only be pursued if notification from the RSC CSO is received.</li> <li>● In accordance with Article 35 of the 2023 International Accord, commit to ensure that the process for disengagement is responsible. Appropriate actions may include providing adequate notice to the covered factory, information on the decision to disengage, and making reasonable efforts to ensure that any workers whose employment are terminated are offered employment with safe suppliers.</li> </ul>

## FINANCING REMEDIATION

### Signatory Obligations under the BSA

#### Article 31

In order to induce factories to comply with upgrade and remediation requirements of the CSO, signatory companies shall 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 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 or through paying for renovations directly.

#### Article 32

The Secretariat shall be informed and monitor compliance in the event that a signatory's supplier indicates that completion of the remediation is not financially feasible. The Secretariat shall refer any cases of unmet finance requests to the SC in accordance with the Financing Remediation Protocol, which takes into account the principle of proportionality as reflected in the UNGPs and the related International Accord protocols.

Signatory companies have a responsibility to negotiate commercial terms with their suppliers, which ensure that it is financially feasible for the factories to comply with the Accord's upgrade and remediation requirements.

Accord covered factories may therefore raise a request for financial support directly with their responsible signatory companies or via the Accord Secretariat. Finance request cases are tracked and reported:

Status of Finance Requests (As of 1 September 2023)	
Pending	8
Resolved	78
Referred to the Steering Committee	1
Dismissed	61
No longer applicable (factories closed, ineligible or relocated)	43
<b>TOTAL</b>	<b>191</b>

**Progress:** The International Accord Secretariat follows a standard procedure to deal with finance requests, which entails weekly follow-ups with the brands and factories from gathering the necessary support documentation to monitoring the progress of discussions and confirmation of financial support. The Accord Secretariat has resolved 78 finance requests cases and, of these, 41 the factory ultimately confirmed it would self-finance and 37 were resolved with brands providing adequate commercial terms. Note that the Accord Secretariat processed an additional 21 finance requests through the Accord's Factory Remediation Fund.

An example of a successful resolution of a recent finance request involved a brand opening a letter of credit of \$40,000 USD to cover nearly 50% of the costs associated with the installation of standpipe system. The remaining costs were covered by the factory through self-financing. The factory was

able to install the standpipe system, which is currently undergoing T&CVI review. Most other resolved cases have been addressed through guaranteed increases in orders.

 **Signatory Action**

**Current Signatory Practice:** The Secretariat has observed that while brands are willing to increase their orders, reduce payment periods, guarantee long-term order placements, and in certain cases open L/Cs to finance the purchasing of specific items, few brands are willing to provide more immediate financial assistance when necessary to improve a factory’s cash flow to pay for upfront remediation costs (e.g., placement of advance payment orders, soft loans, review of purchasing prices for select orders).

In some cases, the Secretariat has also observed a lack of continuous engagement from brands with their suppliers to resolve finance requests. Brands may require multiple follow-ups from the Accord Secretariat, leading to significant delays in the processing of factory finance requests. This is especially the case with brands who remain inactive responsible during the 18-month period following a factory de-listing.

The International Accord Secretariat is developing new procedures and tools intended to enable signatory brands to effectively mobilise their leverage and incentivise factories to remediate within 6 months of the finance request being raised. In the event of an unmet finance request, the case will be raised with the Accord Steering Committee.

**Recommended Signatory Action:** The financing of factory remediation is an effective means of leverage to incentivise factories to achieve full remediation. Signatory companies of the Bangladesh Safety Agreement can successfully address factory finance requests in the following ways:

<p><b>Constructive Engagement</b></p>	<ul style="list-style-type: none"> <li>• Pro-actively engage with the factory with the support of the Accord and RSC to develop a finance plan that is closely tied to the factory’s workplan on outstanding remediation. This can be achieved at the start of the factory’s CAP implementation and at any other point in time if the factory is facing challenges to complete remediation within the timelines set in the CAPs.</li> <li>• Consider the remediation that has been self-financed in discussions on financing support.</li> <li>• With newly listed factories, immediately engage with the factory to ensure that the CAP is financially approved based on a realistic budgeting of the costs of remediating all CAP items.</li> <li>• Consider financial tools to calculate how the cost of remediation can be integrated into the brands’ responsible purchasing practices.</li> <li>• Establish commercial practices and long-term business relationships with suppliers that enable financial feasibility for factory remediation.</li> </ul>
<p><b>Commercial Leverage</b></p>	<ul style="list-style-type: none"> <li>• Involve structured collaboration and regular interactions across departments, especially the brands’ sourcing departments, to ensure a coordinated and constructive approach to ensure financing factory remediation is feasible.</li> <li>• Explore among relevant departments the types of commercial incentives that can be established to support remediation and solicit the support of the International Accord Secretariat where needed.</li> </ul>
<p><b>Collective Leverage with other Accord Brands</b></p>	<ul style="list-style-type: none"> <li>• Coordinate, in particular as Lead Brand, with other responsible signatory companies to address the factory finance request with the support of the International Accord Secretariat.</li> </ul>

## IV

# Workplace Safety Programs

### Signatory Obligations under the BSA

#### Article 14

Signatory companies shall require their supplier factories to respect the right of a worker to refuse work that he or she has reasonable justification to believe is unsafe, without suffering discrimination or loss of pay, including the right to refuse to enter or to remain inside a building that he or she has reasonable justification to believe is unsafe for occupation. As soon as possible thereafter, the case shall be reported to the RSC.

#### Article 15

An occupational health and safety training program will continue to be implemented in accordance with Memorandum and Articles of Association of the RSC and reflecting the principles of the International Accord.

#### Article 16

Signatory companies shall require their suppliers to cooperate fully with all relevant provisions of the training program, in accordance with the training plan approved by the SC, including facilitation of safety training experts and RSC certified trade union trainers. Such training shall cover the importance of Freedom of Association, and the role of industrial relations in ensuring the functionality and empowerment of effective Health and Safety Committees and protecting workers' health and safety.

#### Article 17

Health and Safety Committees shall be required by the signatory companies in all Bangladeshi factories that supply them, which shall function in accordance with Bangladeshi law and with applicable ILO standards.

#### Article 18

The complaints process and mechanism as enshrined under the RSC and International Accord will ensure that workers in factories supplying signatory companies can raise concerns about occupational health and safety risks in a timely fashion, safely and confidentially. Signatories shall support the complaints process and ensure that it operates independently with no third party interference. Signatory companies shall require their suppliers to comply with the outcomes of the complaints process.

#### Article 19

Until such time that the RSC Board has agreed to expand the scope of the complaints process beyond occupational health and safety, complaints out of scope of the Accord will be forwarded with the complainant's consent to the brand signatories and factory management and, with the complainant's consent, the complaint may be forwarded to another complaints mechanism.

There are four key worker empowerment components of the International Accord that provide for worker participation in the Accord/RSC programs: the right to refuse unsafe work; joint labour-management Safety Committee; the Safety Training Program; the Complaints Mechanism.

These are implemented through two Workplace Programs: a Safety Training Program, covering factory Safety Committee members and workers; and a Complaints Mechanism. The right to refuse unsafe work is covered by both: the Safety Training Program informs workers and managers about the right to refuse unsafe work; workers can exercise their right to refuse unsafe work by filing a complaint with the Complaints Mechanism.

### **SAFETY COMMITTEE AND SAFETY TRAINING PROGRAM**

All Accord/RSC covered factories participate in the Safety Training Program, which comprises two components: training for members of the joint labour-management Safety Committees; and informational meetings for workers conducted through All Employee Meetings (see *BOX 3*). The first step in implementing the Safety Training Program is to check that the factory has established a Safety Committee in accordance with the law. The Safety Training Program provides training and information on the implementation of Accord/RSC programs, as well as on general OSH matters, including, for example, safe evacuation, hazard identification and control.<sup>7</sup>

#### **BOX 3: SAFETY TRAINING PROGRAM**

**Initial Meeting/Formation of the Safety Committee:** introduce the Safety Training Program to factory management, verify factory Safety Committee is in place, agree on dates/other practical steps for roll-out of the Safety Training Program (including Safety Committee formation if not already in place).

**Safety Committee Training:** training sessions for Safety Committee members comprising a mix of classroom-style and practical sessions:

1. Fundamentals of the Safety Committee
  2. Safety Committee role in Accord/RSC Remediation
  3. Safety Committee, the Right to Refuse Unsafe Work, Safety Complaints
  4. Workplace Hazard Identification and Control (Safety Committee Walk Through)
  5. Communication Skills and Joint Problem Solving (Safety Committee Walk Through)
  6. Safety Monitoring Systems – Part One (Safety Committee Walk Through)
  7. Safety Monitoring Systems – Part Two
  8. Health Hazards and the Right to a Safe Workplace
- Follow-up Safety Committee Meeting and Safety Committee Walk Through

**All Employee Meetings:** 3 All-Employee Meetings (AEMs) attended by all workers and all managers of the factory. The factory is required to stop production to enable all workers to attend these meetings. During the AEMs, workers are introduced to the members of the Safety Committee. At the end of each meeting, workers are provided with accessible pictorial and written printed booklets containing the information presented during the AEM. The 3 AEMs are:

1. Safety Committee, Safe Evacuation and Safety Hazards
2. Rights and Responsibilities under the Accord/RSC
3. Occupational Health Hazards in RMG factories

<sup>7</sup> The RSC has additionally incorporated non-OSH issues into the Training Program.

**Progress:** As of 1 September 2023, of the 1,681 covered factories, 1,252 factories have participated in the Initial Meeting for the Safety Training Program, 1,244 have commenced the Safety Committee Training Program and 1,145 factories (with approximately 2 million workers) have completed the Safety Committee Training Program. This means that 437 factories have yet to start the Safety Committee Training Program.

Training Sessions	No. of Factories
Fundamentals of the Safety Committee	1244
Safety Committee Role in Accord/RSC Remediation	1244
Safety Committee and Safety Complaints	1238
Workplace Hazard Identification and Control	1233
Communication Skills and Joint Problem Solving	1218
Safety Monitoring Systems - Part One	1200
Safety Monitoring System - Part Two	1185
Health Hazards and the Right to a Safe Workplace	1145

As of 1 September 2023, 1,150 factories have undergone the first All Employee Meeting, 975 have undergone the second All Employee Meeting, and 481 have undergone the third All Employee Meeting. This means that 531 factories have yet to start the Safety Training Program for workers, delivered through the All Employee Meetings.

### Signatory Action

**Current Signatory Practice:** Accord signatory companies provide support to the Safety Training Program in the initial planning phase, as well as by encouraging factories to participate in the Safety Training Program:

- The Lead Brand attends the initial meeting with the factory to plan the Safety Training program;
- Signatory companies use their collective leverage to assure implementation in cases where the factory is reluctant to take part.

**Recommended Signatory Action:** The effectiveness of the Safety Training Program would be strengthened by greater involvement of signatory companies, throughout the duration of the Program:

<b>Coordinate to Avoid Duplication</b>	Involvement in the initial planning so as to avoid duplication of training content where brands also conduct safety and health training in the factory.
<b>Evaluation and Monitoring</b>	Engagement in evaluating and monitoring the effectiveness and impact of the Safety Training Program, including obtaining feedback from supplier factories and participating in Accord/RSC formal monitoring and evaluation processes.



## ACCORD/RSC COMPLAINTS MECHANISM

Any worker/worker representative may file a complaint with the Safety Complaints Mechanism.<sup>8</sup> The Complaints Mechanism currently has a mandate to process complaints concerning Accord/RSC covered factories and related to occupational safety and health, the right to refuse unsafe work, and reprisal for filing a complaint or for exercising the right to refuse unsafe work.

In response to due diligence obligations, and further to the commitment made in the 2023 International Accord agreement,<sup>9</sup> in March 2024 the RSC started a pilot program on expanding the scope of Complaints Mechanism beyond OSH to include all the fundamental principles and rights at work, as well as wages, employment matters and the environment. The pilot program involves 100 Lead Brands and their 503 suppliers, together with 33 non-Lead Brands that share the same suppliers. The future scope of the Accord/RSC Complaints Mechanism shall be determined following an evaluation of the results of the pilot program.

The Complaints Mechanism is required to meet the effectiveness criteria for non-judicial grievance mechanisms set out in the UNGPs (see BOX 4).<sup>10</sup> In addition to providing a mechanism for resolving individual complaints, the UNGPs prescribe that the Complaints Mechanism should provide a 'source of continuous learning' and contribute to the prevention of future grievances and harms by acting as source of expertise and information on the nature and pattern of grievances to reveal sector-specific/systemic adverse impacts.<sup>11</sup>

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8 The Complaint Mechanism also treats matters raised outside the standard procedure as complaints; e.g., media reports.

9 In the 2023 International Accord, signatory parties agreed "to carry out a pilot program to consider a future expansion of the scope of the worker complaints mechanism beyond health and safety in CSSPs, to include additional fundamental principles and rights at work, and most common types of complaints. Within 6 months of the start of the pilot, the SC will review the results and progress of the pilot and determine next steps."

10 In 2020 and 2021 respectively, the UN published indicators for meeting the effectiveness criteria: Improving accountability and access to remedy for victims of business-related human rights abuse through non-state-based grievance mechanisms', 19 May 2020; 'Meeting the UNGPs' effectiveness criteria'. OHCHR, 2021, OHCHR Accountability and Remedy Project: Meeting the UNGPs' Effectiveness Criteria, available at: <https://www.ohchr.org/sites/default/files/2022-01/arp-note-meeting-effectiveness-criteria.pdf>

11 Improving accountability and access to remedy for victims of business-related human rights abuse through non-State based grievance mechanisms, UN Human Rights Council, 19 May 2020, p.17.

**BOX 4: COMPLAINTS MECHANISM - MEETING INTERNATIONAL STANDARDS**

Effectiveness Criteria <sup>12</sup>	Accord/RSC Complaints Mechanism <sup>13</sup>
<p><b>Legitimate:</b> enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes.</p>	<ul style="list-style-type: none"> <li>• Meaningful stakeholder consultation on design/processes.</li> <li>• Independence of decision-making.</li> <li>• Employment of suitably qualified staff.</li> <li>• Provision of training on rights.</li> </ul>
<p><b>Accessible:</b> being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access.</p>	<ul style="list-style-type: none"> <li>• Dissemination of information to workers through All Employee Meetings and Safety Committee training.</li> <li>• User friendly, no cost channels for filing grievances.</li> <li>• Operating on-the-ground, in local languages.</li> <li>• Minimal threshold for admissibility.</li> <li>• Not requiring complainants to waive their rights to use an alternate grievance mechanism.</li> <li>• Providing for anonymity, confidentiality, protection from retaliation.</li> </ul>
<p><b>Predictable:</b> providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation.</p>	<ul style="list-style-type: none"> <li>• Policies, processes, timeframes for resolving complaints.</li> <li>• User-friendly information on mandate, processes, types of remedy, confidentiality, protection from retaliation.</li> <li>• Publication of closed complaint summaries and outcomes with due regard for confidentiality/risks of retaliation.</li> </ul>
<p><b>Equitable:</b> seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms.</p>	<ul style="list-style-type: none"> <li>• Impartial investigations to address power imbalances.</li> <li>• Written record of processes, outcomes, reasons for decisions and agreements on remedial action.</li> <li>• Description of steps to be followed for non-compliance by a party with the terms of an agreed determination.</li> <li>• Allowing complainants to withdraw from the process.</li> </ul>
<p><b>Transparent:</b> keeping parties to a grievance informed about its progress and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake.</p>	<ul style="list-style-type: none"> <li>• Maintaining regular communication with the parties on progress of complaints.</li> <li>• Public summaries of each complaint filed once the complaint is closed including outcomes.</li> <li>• Public summary information on the number of complaints filed, rejected, closed, types and nature of complaints.</li> </ul>
<p><b>Rights-compatible:</b> ensuring that outcomes and remedies accord with internationally recognized human rights.</p>	<ul style="list-style-type: none"> <li>• Consulting with the complainant on the proposed remedy.</li> <li>• Providing binding decisions on remediation/remedy.</li> <li>• Arrangements for enforceability: issuing a notice and warning in accordance with the Accord's escalation principles in cases of non-compliance.</li> </ul>
<p><b>A source of continuous learning:</b> drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms.</p>	<ul style="list-style-type: none"> <li>• Recording data on the nature and frequency of complaints.</li> <li>• Disseminating information on the nature of grievances.</li> </ul>

12 UN Guiding Principles on Business and Human Rights, Article 31.

13 Selected examples of compliance with the effectiveness criteria of the UNGPs.

**Progress:**

Year <sup>14</sup>	OSH	NON - OSH	TOTAL	OSH %	NON - OSH %
2014	10	2	11	91%	18%
2015	36	15	50	72%	30%
2016	62	31	91	68%	34%
2017	215	131	338	64%	39%
2018	334	357	663	50%	54%
2019	313	463	755	41%	61%
2020	441	461	886	50%	52%
2021	291	1205	1480	20%	81%
2022	400	973	1350	30%	72%
2023	378	1366	1744	22%	78%
<b>TOTAL</b>	<b>2480</b>	<b>5004</b>	<b>7368</b>	<b>34%</b>	<b>68%</b>

 **Signatory Action**

**Current Signatory Practice:** For the most part, Accord company signatory engagement on the Complaints Mechanism relates to *individual complaints* including, for some complaints, actions aimed at preventing the reoccurrence of those complaints in individual factories (e.g., training on gender-based violence):

- Participating in and supporting the processes of the Complaints Mechanism;
- Addressing matters raised in complaints directly with supplier factories;
- Providing training in the factory aimed at preventing the reoccurrence of complaints;
- Issuing a notice and warning in accordance with the Accord/RSC escalation principles in cases of non-cooperation and non-compliance with decisions of the Complaints Mechanism.

**Recommended Signatory Action:** The UNGPs state that the legitimacy of a complaints mechanism depends on day-to-day operations and decision-making being independent of the business enterprises that are the subject of complaints and free from undue influence (from any actor) and conflicts of interest. Signatory companies, through their representatives, should ensure that adequate safeguarding measures (i.e. protocols and SOPs) are in place to ensure the legitimacy of the Accord/RSC Complaints Mechanism. **Effectiveness would further be strengthened by signatory companies actively engaging in complaints for which implementation of the remedy determined by the RSC Complaints Team is delayed.** Signatory companies should also prioritise prevention of future complaints and harms, especially in the context of the expanding scope of the Complaints Mechanism. Signatory companies should refrain from penalising supplier factories when complaints arise, as this risks incentivising suppliers to limit the number of complaints/retaliate against complainants rather than working towards a resolution of the complaint.

<sup>14</sup> For 2023, the data provided is until 1 September 2023.

<p><b>Independence</b></p>	<p>Ensure through their representatives that adequate safeguarding measures (i.e. protocols and SOPs) are in place to:</p> <ul style="list-style-type: none"> <li>● maintain independence of the Complaints Mechanism in day-to-day operations and decision-making, at all stages of the complaints process;</li> <li>● minimise the risk of undue influence from any actor;</li> <li>● minimise the risk of conflicts of interest for the Complaints Mechanism (or any of its staff) with respect to the discharge of mandate and functions.</li> </ul> <p>Alert signatory company representatives and the Accord/RSC of incidents of any actor trying to exercise undue influence at any stage of the complaints process.</p>
<p><b>Resources</b></p>	<p>Ensure the Complaints Mechanism has adequate resources to provide effective access to remedy in terms of both numbers of adequately qualified staff and provision of training on the fundamental principles and rights at work.</p>
<p><b>Supplier Assurances</b></p>	<p>Obtain assurances that suppliers shall participate fully in the complaint process. These can take the form of written contractual assurances.</p>
<p><b>Cooperation and Compliance</b></p>	<p>Make clear the requirement that suppliers cooperate fully with the Complaints Mechanism and implement the resolution of complaints found to have merit.</p>
<p><b>Supplier Understanding</b></p>	<p>Provide suppliers with the protocols of the Complaints Mechanism.          Hold supplier meetings to explain the protocols of the Complaints Mechanism.</p>
<p><b>Worker Awareness</b></p>	<p>Require suppliers to post contact and other information on the Complaints Mechanism permanently in conspicuous places in the factory.</p>
<p><b>Practical Measures to Identify and Prevent</b></p>	<p>Require suppliers to take practical measures aimed at supporting both the investigation of complaints and the prevention of adverse impacts:</p> <ul style="list-style-type: none"> <li>● Adopt a system of digital/traceable payments (as a way to identify and prevent non-payment or under-payment of wages and benefits such as service benefits, maternity).</li> <li>● Provide CCTV coverage of the production floor and require footage to be retained and accessible for a minimum time period, taking into account the requirements of applicable laws.</li> <li>● Maintain a digital attendance system.</li> </ul>
<p><b>Incentivise Suppliers to Resolve Complaints</b></p>	<p>Refrain from penalising suppliers when complaints arise.          Incentivise suppliers to work towards resolving complaints that are found to have merit.</p>
<p><b>Financial Support</b></p>	<p><b>Actively participate, working collectively with other brands, to find a resolution for complaints where payment of the workers is delayed because of the financial situation of the factory.</b></p>
<p><b>Collective Leverage</b></p>	<p>Use leverage, and seek to increase leverage, to accelerate the resolution of complaints where the supplier is delaying in implementing the required resolution.          Alert the RSC of factory non-compliance to induce remediation.          Apply the Accord/RSC’s escalation protocol with other responsible Accord brands, in accordance with the decisions of the RSC.</p>
<p><b>Responsible Disengagement</b></p>	<p>Disengage as a last resort in cases of continued non-cooperation, non-compliance, in accordance with the decisions of the RSC.</p>
<p><b>Continuous Learning for Prevention of Adverse Impacts</b></p>	<p>Use the complaints data to identify sector-specific/systemic adverse impacts.  <b>Participate in Accord/RSC initiatives to develop a collective approach for preventing and addressing sector-specific/systemic adverse impacts:</b>          e.g., brand caucus/brand cluster meetings to discuss systemic sector impacts; in-country meetings to develop collective strategies for preventing systemic adverse impacts.</p>

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