

# ANNUAL REPORT

2023



International  
**ACCORD**  
for Health and Safety in the Textile and Garment Industry



**HEALTH AND SAFETY IN THE  
TEXTILE AND GARMENT INDUSTRY**

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# Accord in a Nutshell

## Coverage:

### BANGLADESH<sup>1</sup>



Total number of signatories:  
**89**



Total number of covered factories:  
**1706**



Total number of workers:  
**2,463,593**

### PAKISTAN



Total number of signatories:  
**93**



Total number of covered factories:  
**496**



Total number of workers:  
**558,497**

## PROGRESS ON KEY PROGRAMS



Total number of inspections:  
**44,893**  
(including 7759 initial inspections and 37,134 non-initial inspections)



Remediation progress rate:  
**90%**



Total number of trained workers/labour-management Safety Committees:  
**1,1180**



Total received complaints (OSH and non-OSH):  
**8269**

(Data as of 31 December 2023)

<sup>1</sup> From November 2023 to March 2024, brands were invited to sign the new Bangladesh Safety Agreement (BSA). During this time, factory lists of signatories to the 2021 International Accord remained in the Fair Factory Clearinghouse (FFC), which explains the unchanged coverage for factories and workers corresponding to 89 signatories. Any discrepancies in the numbers reported by the Accord and RSC can be attributed to differences in their respective reporting periods and the scope of covered factories. These factors may account for variations in statistics related to inspections, remediation efforts, and workplace programs.

## FOREWORD FROM THE EXECUTIVE DIRECTOR

As we reflect on 2023, we recognise the key milestones and ongoing developments that have strengthened our commitment to worker health and safety in the textile and garment industry.

2023 held special significance as it marked a decade since the tragic Rana Plaza collapse and the creation of the first Accord in 2013. The Rana Plaza disaster, one of the worst industrial tragedies in recent history, serves as a stark reminder of the lives lost and injuries suffered – many of which could have been prevented with adequate safety and health measures. It also marked 10 years since the inception of the Accord on Fire and Building Safety in Bangladesh (Bangladesh Accord). Born out of an urgent need to prevent future tragedies, the Accord and its stakeholders have made tremendous strides over the past decade, including comprehensive factory safety inspections, remediation efforts, safety training and a trusted Complaints Mechanism across over 1700 factories in Bangladesh.

In addition, after intensive negotiations between brand and trade union representatives on the Accord Steering Committee, the International Accord for Health and Safety in the Textile and Garment Industry (International Accord) was renewed as a framework agreement for its longest term yet. This renewal underscores a strong, ongoing commitment to improving health and safety across the supply chains of the signatory brands. Furthermore, the representatives finalised the Bangladesh Agreement on Health and Safety in Textile and Garment Industry (Bangladesh Safety Agreement), reinforcing the signatories' efforts to enhance worker health and safety within the Bangladeshi garment industry. Accord signatories and our RMG Sustainability Council (RSC) colleagues will continue implementing the vital work in Bangladesh under this new agreement.

2023 was a milestone year for the Pakistan Accord on Health and Safety in the Textile and Garment Industry (Pakistan Accord), which came into effect in January. It witnessed its first factory safety inspections and the publication of the first list of covered factories in Pakistan, supplying Accord signatory brands and retailers. The Pakistan Accord also established a local legal entity through the creation of the Health and Safety Accord Pvt Limited, a subsidiary of the International Accord BV. Additionally, we launched the Pakistan Accord Building Standard, which sets minimum life-safety standards to reduce danger to life from fire, structural, electrical, and boiler hazards as well as safety risks relating to the storage, use, and handling of hazardous substances. All factories covered under the Pakistan Accord will be inspected against this standard. In May 2023, the Pakistan Accord welcomed its 50<sup>th</sup> signatory, underscoring the growing commitment to worker health and safety in Pakistan's textile and garment industry.

This was also a pivotal year for human rights due diligence, with the European Union Corporate Sustainability Due Diligence Directive (EUCSDDD) on the horizon. This legislative development offers a promising driver for responsible business practices across industries, including the garment sector. As we look ahead to 2024, I am particularly excited about the ongoing work under the International Accord and its country programs in Bangladesh and Pakistan. These initiatives complement the evolving due diligence landscape, highlighting the critical role of legally binding obligations, meaningful stakeholder engagement, risk-based due diligence and public disclosure and transparency.

I am enthusiastic about the rollout of the Pakistan Accord and eager to extend these efforts to other countries. Our work is far from finished, but with each new agreement, inspection, and worker trained, we take another step toward a safer and more sustainable garment supply chain. Let us continue this journey together, driving progress and ensuring that worker health and safety remain at the forefront of everything we do.

Sincerely,

**Joris Oldenzel**  
Executive Director, International Accord





## INTRODUCTION

### Purpose

The International Accord for Health and Safety in the Textile and Garment Industry (International Accord) promotes worker health and safety through independent safety inspections, remediation, training programs, and a Complaints Mechanism to address occupational safety and health issues.

The International Accord is a legally binding agreement between garment brands and trade unions, IndustriALL Global Union and UNI Global Union, aimed at ensuring worker health and safety within the textile and garment industry. It came into effect on 1 November 2023, succeeding the 2021 International Accord as well as the 2013 and 2018 Accords on Fire and Building Safety in Bangladesh.

### 2021 International Accord

The International Accord for Health and Safety in the Textile and Garment Industry (2021 International Accord), was signed in September 2021 as the successor agreement to the 2013 and 2018 Accords on Fire and Building Safety in Bangladesh.

Signatories to this agreement committed to supporting the workplace safety programs in Bangladesh through cooperation with the RMG Sustainability Council (RSC) and establishing Country Specific Safety Programs (CSSPs) in at least one other country based on feasibility studies. **This key commitment was realised in December 2022, with the signing of the Pakistan Accord on Health and Safety in the Textile and Garment Industry (Pakistan Accord).**

### 2023 International Accord Framework Agreement

After intensive negotiations between brand and trade union representatives on the Accord Steering Committee from August and November 2023, the International Accord was renewed as a legally binding framework agreement named the International Accord for Health and Safety in the Textile and Garment Industry (International Accord), with Country Specific Safety Programs (CSSPs) as Addendums to the agreement. [Read the International Accord here.](#)

**Brands and trade unions renewed their commitments for a three-year term, with an automatic renewal for an additional three years, making it the longest Accord commitment to date.**

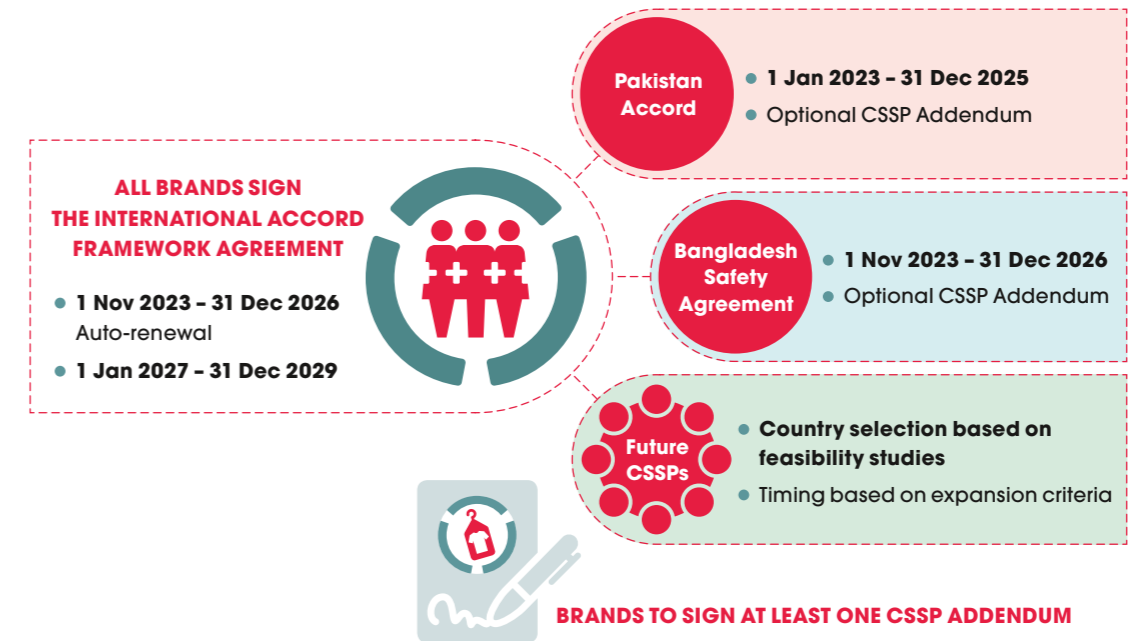
This new iteration of the International Accord took effect on 1 November 2023. This enduring commitment reflects the conviction of the brand and trade union signatories regarding the Accord's impact on workplace health and safety.

The renewed International Accord is a legally binding framework agreement under which the CSSPs will be implemented in Pakistan and through the RSC in Bangladesh, with provisions to develop future health and safety programs in other major garment-producing countries based on feasibility and expansion criteria.

Key **new features** of the International Accord framework include:

- An international framework:
  - (a) committing to expanding the health and safety work progressively in the coming years to other countries, based on feasibility studies and successful progress made in the existing country programs;
  - (b) considering a future expansion of the scope of the worker Complaints Mechanism beyond health and safety in CSSPs; and
  - (c) outlining the key signatory obligations and principles upon which country programs will be built. The details of the country programs will be outlined in Addendums to the International Accord.
- Participating brands will sign both the International Accord framework agreement and the relevant CSSP agreements they choose to participate in.
- The Pakistan Accord, which was signed in January 2023, will continue as an Addendum to the International Accord.

Negotiations for a new Bangladesh CSSP also concluded in November 2023. This agreement, named the Bangladesh Agreement on Health And Safety in The Textile And Garment Industry (Bangladesh Safety Agreement) will continue the signatories' commitments to the health and safety program in Bangladesh through the RSC. [Read the Bangladesh Safety Agreement here.](#)



The key distinctions between the 2021 and 2023 International Accords are as follows:

2021 INTERNATIONAL ACCORD	2023 INTERNATIONAL ACCORD
<b>COMMITMENTS</b>	
Signatories continued their commitments in Bangladesh through the RMG Sustainability Council (RSC) and committed to establish at least one new country program. <b>This key commitment was realised in December 2022 with the establishment of the Pakistan Accord.</b>	Signatories to the 2023 International Accord commit to continue the health and safety programs in Bangladesh and Pakistan, and to the establishment of additional country programs. Signatories commit to signing at least one country program Addendum.
<b>STRUCTURE OF THE AGREEMENT</b>	
<b>A legally binding agreement</b> that established key principles for implementing the health and safety program in Bangladesh. Brands and retailers were invited to sign the Pakistan Accord separately from January 2023 onwards.	A legally binding <b>framework agreement</b> outlining the key signatory obligations and principles forming the basis of the Accord's country programs. The details of the country programs are outlined in Addendums to the International Accord. Participating brands sign both the International Accord framework and the relevant CSSP agreements they choose to participate in.
<b>EXPANSION</b>	
The agreement included a commitment to expand to at least one new country based on feasibility studies.	The agreement includes a commitment to <b>expanding the Accord's health and safety work progressively in the coming years to other countries</b> , based on feasibility studies and successful progress made in the existing country programs.
<b>COMPLAINTS MECHANISM</b>	
The worker Complaints Mechanism addressed issues related to OSH.	Considers expanding the scope of the worker Complaints Mechanism beyond occupational safety and health (OSH) within the country programs based on a pilot to be conducted in one of the CSSPs.
<b>DURATION</b>	
1 September 2021 – October 2023	1 November 2023 - 31 December 2026 Auto renewal 1 January 2027 - 31 December 2029

### Alignment with the UN Guiding Principles

The International Accord complements the UN Guiding Principles (UNGPs) on Business and Human Rights. Through the Accord's workplace safety programs, brands identify, prevent and mitigate risks at garment and textile factories, prioritising one of the most salient human rights risks in their supply chains: the risk of loss of life and irreparable injuries due to fires, building collapses, or other preventable accidents that could be addressed with reasonable health and safety measures.

In 2020, the Accord Secretariat reviewed the effectiveness of the OSH Complaints Mechanism using the criteria for non-judicial grievance mechanisms prescribed by the UNGPs. As per this analysis, the Accord's Occupational Safety and Health (OSH) Complaints Mechanism, implemented by RSC in Bangladesh, met the effectiveness criteria for Non-Judicial Grievance Mechanisms as outlined in UNGP Article 31, Pillar III – Access to Remedy.

Parties to the 2023 International Accord agreed to explore the expansion of the Accord's scope to include other human rights due diligence (HRDD) responsibilities and set up a working group for this purpose. At the time of writing this report, the HRDD Working Group has been established with 10 brand signatories to identify additional human rights due diligence responsibilities issues that could potentially be addressed by the International Accord.

### Exploring New Programs

Under the 2023 International Accord, signatories have agreed to expand the Accord to other countries based on the outcome of ongoing feasibility studies and expansion criteria related to the most recent CSSP, the Pakistan Accord in this case.

The feasibility criteria for initiating a new country program includes, amongst others: the presence and volume of signatory companies in the country; the interest of brands, the effectiveness of existing safety regulation mechanisms, the level of safety risks, and support from local stakeholders.

The International Accord Secretariat will evaluate the following expansion criteria associated with the Pakistan Accord to determine the timing and feasibility of the next CSSP:

- a) In-country operational capacity:
  - Registration and office establishment.
  - Appointment of senior staff for all relevant departments.
  - Adoption of Protocol Pack and associated Standard Operating Procedures, along with training for relevant staff.
- b) Completion of initial inspections at 50% of covered factories as identified at the start of the inspection program disclosed by the signatory companies.
- c) Approval of Corrective Action Plans (CAPs) at 25% of covered factories.
- d) A verified remediation rate of 50% at 10% of covered factories.
- e) Establishment and publicity of Complaints Mechanism in 25% of covered factories.
- f) Implementation of the Training program, with roll-out initiated at 25% of covered factories.

### Funding

Each signatory company is responsible for funding the activities of the International Accord Secretariat and each CSSP it has signed. Contributions are calculated based on a formula established by the Accord Steering Committee, with a minimum contribution of **US\$ 250** and maximum of **US\$ 100,000** per year for the duration of the International Accord framework agreement. Each CSSP Addendum specifies the minimum and maximum financial contributions required from signatories.

## ● Transparency and Accountability

Transparency and accountability are key principles of workplace health and safety under the Accord agreements. By publishing inspection reports and Corrective Action Plans (CAPs) on a factory-by-factory basis, safety complaints and periodic reports of the International Accord Steering Committee (SC), the Accord promotes transparency and accountability amongst brands, trade unions, factories and workers in the textile and garment supply chain.

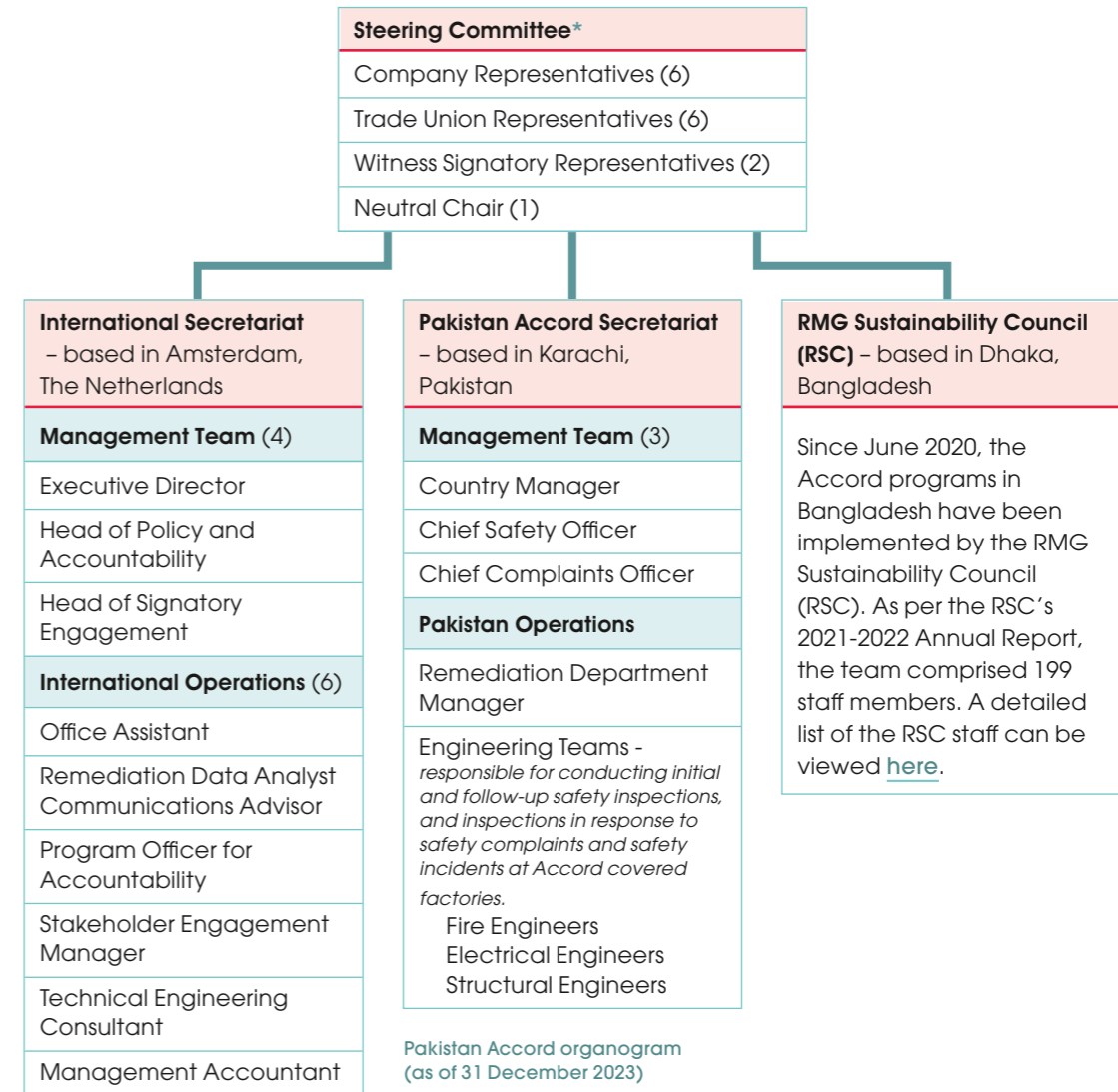
As part of the signatories' commitment to transparency and accountability, the International Accord Secretariat publishes [Quarterly Aggregate Reports](#) and makes the following information public on its website:

- [The list](#) of covered factories<sup>2</sup> and their safety remediation progress, together with the status of the safety training program.
- [The list of suppliers ineligible for business](#)<sup>3</sup> with Accord signatory companies, due to failure to implement workplace safety measures.
- [The complaints raised by workers](#) and their representatives with the Accord signatories' Complaints Mechanism.

2 The current factory search displays the covered factories in Bangladesh; the factory search for Pakistan will be built and rolled out in 2024-2025.  
3 <https://internationalaccord.org/factories/#factory-search> Apply filter 'Remediation status: ineligible'.

## ● IMPLEMENTATION PROGRESS

### ● Organisational Development



Accord organogram (as of 31 December 2023)

Pakistan Accord organogram (as of 31 December 2023)

## ● Developments in Governance

### Articles of Association

In April 2023, the International Accord Foundation's Articles of Association were amended to reflect the establishment of a company in the Netherlands (International Accord B.V.) through which activities can be carried out in CSSPs. The International Accord B.V. established a subsidiary in Pakistan to implement the Pakistan Accord on behalf of the signatories as the Health and Safety Accord Pvt. Ltd.

### SC Elections (March-April 2023)

Following Masarrat Syeda Quader's (H&M) resignation from the Steering Committee of the International Accord effective as of 1 March 2023, a new round of Steering Committee (SC) elections was held between March and May 2023. This election provided all brand signatories an opportunity to nominate representatives for a position on the SC. Signatory brand representatives were invited to apply for one SC Board position. As of the end of December 2023, the position remained vacant.

The Accord Governance Regulations provide that the Steering Committee is the executive decision-making body of the International Accord Foundation. It exercises all powers of the Foundation, including but not limited to:

- Selection, contracting, compensation and review of the performance of the Executive Director.
- Oversight and approval of the Budget.
- Oversight of financial reporting and hiring of auditors.
- Oversight and approval of inspection program.
- Such other functions as are provided in the Accord; and
- Other such management duties as may be required.

Under the Governance Regulations, SC Company Members serve a term of two years. Upon the expiration of this two-year period, all six representatives of signatory companies serving on the SC shall be (re)appointed by the signatory brands through an election process. A candidate who receives most votes for an open SC Company Member position will be (re)elected. In cases of only one qualified candidate applying, that candidate is automatically elected.

# Progress on International Accord CSSPs

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

**The following sections provide background and progress updates under each program.**



# PAKISTAN

## Background

The Pakistan Accord on Health and Safety in the Textile and Garment Industry (Pakistan Accord) is a legally binding agreement between clothing brands & retailers and trade unions. It is a Country-Specific Safety Program (CSSP) of the International Accord for an initial term of three years, starting on 1 January 2023, subject to renewal. [The Pakistan Accord is available to read here.](#)

## Goals

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

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

## Scope

The Pakistan Accord covers all Cut-Make-Trim (CMT) facilities, namely all Ready-Made Garment (RMG), home textile, fabric and knit accessory suppliers producing products for signatory companies. Furthermore, fabric mills in Pakistan within the supply chains of the signatories are also covered. The timing and process of implementing Pakistan Accord programs in fabric mills that are not part of integrated facilities will be subject to the agreement of the International Accord Steering Committee (SC) at a later stage.

**By 31 December 2023, 93 global brands and retailers including Inditex, H&M, Hugo Boss, Mango, KIK, and Puma had signed the Pakistan Accord.** These brands source over US\$ 2,5 billion worth of goods from more than 500 facilities in Pakistan. At the time of writing this report, over 120 brands have signed the Pakistan Accord. [The latest list of signatories is available here.](#)

[The list of covered suppliers in Pakistan is published here.](#)

## Governance

The International Accord Steering Committee (SC), as the governing body of the International Accord, monitors signatories' compliance with the Pakistan Accord and oversees its management until a national governance body is established. This national governance body will consist of national stakeholders, including industry representatives, brands, trade unions, and others upon agreement. Its mandate and composition will be determined through a consultative process involving members of the International Accord SC and these stakeholders. Additionally, the Pakistan Accord aims to collaborate with national government institutions, ILO Better Work Pakistan, and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH to build capacity in Pakistan and promote a culture of health and safety in the industry.



## Funding

Each signatory company contributes funding based on the number of factories producing for the company and the annual volume of its garment production in Pakistan, with a minimum contribution of **US\$ 2,500** and a maximum of **US\$ 185,000** per year for the duration of the Pakistan Accord.

## Coverage

### Signatory Base

Brands and retailers were invited to sign the Pakistan Accord starting on 16 January, 2023. Since then, there has been a consistent increase in the number of signatories. By May 2023, the total had surpassed 50, and by September 2023, 72 global brands and retailers had joined the Pakistan Accord. **As of 31 December 2023, 93 global brands and retailers had signed the Pakistan Accord. Collectively, these brands source over US\$2.5 billion worth of goods from 496 facilities in Pakistan with over 558,000 workers.**

**At the time of writing this report, over 120 brands have signed the Pakistan Accord. [The latest signatory list is available here.](#)**

### Factory Base

In accordance with the transparency and reporting provisions outlined in Article 23 of the Pakistan Accord, the Secretariat began requesting factory disclosures from signatory brands at the end of May 2023. This disclosure process involves brands providing detailed information about the factories in their supply chains in Pakistan, which are then covered by the Pakistan Accord programs. The list includes an overview of the names, addresses, number of storeys, production processes, number of workers, and the number of signatory brands sourcing from each factory. Information linking specific brands to specific factories is kept confidential.

The first supplier list for the Pakistan Accord was published in the first week of August 2023, containing factory information received as of 25 July 2023, for over 400 factories supplying 52 brands. This list grew in the following weeks as more signatory brands disclosed their supplier information. From September to December 2023, the Secretariat did not publish new supplier lists due to the ongoing development of the factory database on Fair Factories Clearinghouse (FFC).

**As of 31 December, the International Accord Secretariat had information on 496 facilities supplying 93 brands and retailers.** Over half of the factories are situated in Sindh, while approximately 35% are in Punjab.

**Based on the factories listed by signatory brands, most 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. Information about the breakdown of product types at 35 listed factories was missing.

PRODUCT TYPE	NUMBER OF FACTORIES
RMG	361
Home textiles	88
Fabric accessories	12
Missing information	35
<b>TOTAL</b>	<b>496</b>

Breakdown of product types at covered facilities

**The most common production process type at 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.

PRODUCTION PROCESS	NUMBER OF FACTORIES
CMT only	241
Integrated CMT and fabric mills	113
Fabric mills only	25
Other processes	44
Missing information	73
<b>TOTAL</b>	<b>496</b>

Breakdown of production processes at covered facilities

[All factory disclosure lists are available here.](#)

## Implementation

The Accord programs in Pakistan are being implemented in phases over the three-year term of the Pakistan Accord. After the completion of each phase, progress is reviewed, and adjustments are made for the roll-out of subsequent phases in close collaboration with key stakeholders. The Pakistan Accord's Implementation Plan may be adapted based on progress and local contingencies. This Phased Implementation Plan was approved by the International Accord Steering Committee (SC) on 13 December, 2022, as a basis for further discussions on a local country program with Pakistani stakeholders.

The purpose of this Implementation Plan is to ensure a realistic and phased approach in establishing the Pakistan Accord with the support of key stakeholders. Based on the outcome of feasibility studies and discussions with local stakeholders, the following programs are being implemented under the Pakistan Accord, in a phased manner:

1. Inspections and Remediation
2. Safety Committee and Safety Training
3. Worker Complaints Mechanism
4. Local Capacity Building

The Implementation Plan proposes the creation of a local interim advisory body to create a permanent governance structure representing brands, industry and trade unions, and others upon agreement. The timing will depend on progress in discussions with local stakeholders.

## PRE-LAUNCH

**Pre-launch Preparations:** Pakistan Accord; proposed Implementation Plan; in-country stakeholder consultation; pilot assessments; final budget & fee schedule; Pakistan Accord Building Standard development.

## PHASE 1

**Inception:** Signatory onboarding, stakeholder engagement on governance; license to operate; CSO & MD hiring process; Factory Phased Inspection Criteria; Sindh office & staffing plan; learnings from pilot assessments; finalise Pakistan Accord Building Standard and protocol pack.

## PHASE 2

**Roll-out of Accord in Karachi:** Karachi office; commence inspections & CAP development in Sindh; interim governance body; increase signatory base; prepare Workplace Program.

## PHASE 3

**Further roll-out of inspection program (Lahore), Integration of training program:** Lahore office; inspections & CAP development in Punjab; pursue inspections in Sindh; start OHS committee training program; hire Head of Workplace Programs & staff.

## PHASE 4

**Further roll-out of inspections program (Sindh & Lahore), initial roll-out of training program, integration of Complaints Mechanism:** Further roll-out of inspections in Sindh (all CMT) and Punjab; start OHS Committee Training program; integrate Complaints Mechanism; assessment of readiness for permanent local governance structure.

## PHASE 5

**Final phase of Accord establishment in Pakistan:** all four Accord programs established in Pakistan; permanent local governance body.

As of December 2023, the Pakistan Accord had completed Phase 1 of its implementation. This phase involved key activities such as onboarding signatories, engaging with local stakeholders and securing a license to operate in Pakistan.

In September 2023, the International Accord BV, established to implement the Pakistan Accord, incorporated a private limited subsidiary company in Pakistan named the Health and Safety Accord Pvt. Ltd. This private company is undertaking the activities on behalf of Accord signatory companies and following the provisions of the Pakistan Accord, which include fire, electrical, structural, and boiler safety inspections, developing and monitoring the implementation of Corrective Actions Plans (CAPs), the implementation of workplace safety training and complaint programs; and a local capacity-building initiative.

Additional highlights during Phase 1 included the hiring of the **Chief Safety Officer (CSO), George Faller, Chief Complaints Officer, Kirstine Drew and Country Manager, Zulfiqar Shah**. The Pakistan Accord Building Standard and Protocol Pack were also finalised during this phase.

With Phase 1 completed, the Pakistan Accord is preparing to move into the subsequent phases for 2024, which will focus on expanding operations, building teams and establishing the program in Karachi and Lahore. This next phase will involve critical efforts to roll out factory inspections and remediation, the Workplace Program, including Safety Training and the Complaints Mechanism, and capacity-building initiatives with the local government.

## Standard and Protocol Development

### Pakistan Accord Building Standard

In 2023, 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.

The Standard will be applied to inspect and ensure safety at factories supplying Pakistan Accord signatory brands. [The Standard is available here.](#)

The Secretariat incorporated recommendations from Pakistan's engineering and building code experts and finalised the Standard in August; it was launched in a series of webinars for covered suppliers and signatory brands between September and October 2023.

### Protocol Pack

The Secretariat started developing a Protocol Pack for the effective implementation of the Pakistan Accord in 2023. This 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

### Inspections and Remediation

The Accord conducted the first round of initial inspections at factories supplying Pakistan Accord brands in Lahore and Karachi in 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, 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 several key local stakeholders.

The participating factories demonstrated commitment to ensuring workplace safety, receptiveness to feedback, and preparedness throughout the initial inspection process. **As of 31 December 2023, 18 factories had undergone fire, electrical and structural initial inspections.**

The Pakistan Accord inspections program will be rolled out at additional factories in the first quarter of 2024. Moreover, the newly hired engineers will undergo capacity building training in the first quarter of 2024. This training will equip the engineers with the technical knowledge and practical skills necessary to effectively conduct factory inspections and produce reports that identify remediation actions under the Pakistan Accord.



### Workplace Program

The Workplace Program, comprising **Safety Training** and a worker **Complaints Mechanism** at covered factories, is a key component of the Pakistan Accord. It aims to build the capacity of joint labour-management Safety Committees to maintain safe workplaces, raise workers' awareness of safety and health, ensure compliance with OSH-related requirements, and provide workers with access to remedies. **The right to refuse unsafe work, provision of safety training programs, joint labour-management Safety Committees, and the Complaints Mechanism are the cornerstones of worker participation under the Pakistan Accord.**

**By the end of 2023, the Pakistan Accord had hired its Chief Complaints Officer, Kirstine Drew, and begun consultations on the design and curriculum of the programs.** At the time of writing this report, the Pakistan Accord Workplace Program is being rolled out at covered factories in Sindh and Punjab. **The Workplace Program aims to reach over 558,000 workers in Pakistan's textile and garment industry.** The International Accord's Annual Report for 2024 will include additional details on the progress of the Workplace Program in Pakistan.

## Supplier Engagement

In 2023, the Accord fostered supplier engagement with Pakistan Accord-covered factories in several ways. This included the rollout of inspections and remediation at an initial set of factories, where the Accord team conducted meetings with all factories prior to the inspections. In addition, we developed Supplier Briefings to provide updates on key developments under the Pakistan Accord, along with information on upcoming events, guidance materials, and resources for suppliers. [The Pakistan Accord Supplier Briefings are available to read here.](#)

Suppliers from Pakistan were invited to speak during a virtual side session organised by the International Accord as part of the OECD Forum on Due Diligence in the Garment and Footwear Sector. The session focused on diverse perspectives on how best to implement the Pakistan Accord, ensuring that it works for and benefits all stakeholders. The speakers reflected on the workplace safety program in Bangladesh and discussed how its learnings can be adapted and applied to the Pakistan Accord.

We also organised a supplier webinar to launch the Pakistan Accord Building Standard (the Standard). Additionally, we set up a dedicated mailbox ([pakistan.factories@internationalaccord.org](mailto:pakistan.factories@internationalaccord.org)) for covered suppliers to submit suggestions, questions, or recommendations regarding the effective rollout of the Pakistan Accord.

[In June 2023 a delegation of the International Accord visited Pakistan and engaged with a range of stakeholders.](#) On the sidelines of the ILO forum and TEXPO, the International Accord team and representatives of Kik, Aldi, and Otto also had formal and informal meetings with key stakeholders including suppliers, industry associations sourcing agents, government departments, academia, fire and safety services and safety experts to discuss various aspects of the Pakistan Accord. The team attended a three-day TEXPO hosted by the Trade Development Authority of Pakistan and engaged with manufacturers, buyers, and international delegates.

In addition, the team held multiple supplier meetings to keep them informed and updated about developments under the Pakistan Accord.





# BANGLADESH

Any discrepancies in the numbers reported by the Accord and RSC can be attributed to differences in their respective reporting periods and the scope of covered factories. These factors may account for variations in statistics related to inspections, remediation efforts, and workplace programs.

## Background

Alongside the negotiations for the 2023 International Accord framework agreement, the brand and trade union representatives on the Steering Committee (SC) finalised a new agreement to further their efforts in enhancing health and safety within the Bangladeshi garment industry through the RMG Sustainability Council (RSC). The resulting agreement took effect on 1 November 2023 and is named the Bangladesh Agreement on Health and Safety in the Textile and Garment Industry (Bangladesh Safety Agreement).

The Bangladesh Safety Agreement is a legally binding agreement between garment brands and trade unions to ensure worker health and safety in Bangladesh's textile and garment industry. Signatories commit to the principles enshrined in the 2023 International Accord, and as stipulated in the 2013, 2018 and the 2021 Accord agreements on Fire and Building Safety in Bangladesh.

The inspections and remediation program, safety training program, worker Complaints Mechanism, and reporting and disclosure requirements of the Accord will continue to be implemented in Bangladesh by the RMG Sustainability Council (RSC), established in June 2020. [Read the Bangladesh Safety Agreement here.](#)

## Goals

Signatories to the Bangladesh Safety Agreement are committed to the goal of a safe and sustainable Bangladeshi Ready-Made Garment (RMG) and other related industries in which no worker needs to fear industrial accidents that could be prevented with reasonable health and safety measures. The signatory parties share a common vision for the growth of the RSC to becoming a sector-wide program in Bangladesh, with the ultimate goal of transitioning to a regulatory body.

## Scope

The agreement covers all Cut-Make-Trim (CMT) facilities, namely all Ready-Made Garment (RMG), producing product for the signatory companies. Home textile facilities and fabric and knit accessories suppliers can be listed by signatory companies on a voluntary basis. If agents or other intermediaries are part of the signatory's business model, the signatory is responsible to assure that the intermediaries support the signatory's efforts to fulfill the obligations of the agreement, independent of whether the intermediaries have signed the agreement.

## Governance

The International Accord Steering Committee (SC), as the governing body of the International Accord, monitors signatories' compliance with the Bangladesh Safety Agreement. The inspections and remediation program, safety committee and safety training program, safety Complaints Mechanism, and reporting and disclosure requirements of the Accord are implemented and carried forward in Bangladesh through the RSC since 2020.

Brands and trade union signatories have each established associations to serve, jointly with industry, as members of the RSC being equally represented in the RSC Board through which the liability of the individual representatives is limited. The signatories mandate and authorise their respective associations to represent the interests of their constituents in the RSC Board.

The International Accord Secretariat supports, coordinates and liaises with the operations of the RSC to ensure that the obligations under the Bangladesh Safety Agreement are met. This includes access to relevant data, processes and meetings for the purpose of implementing signatory obligations in alignment with the principles of the International Accord. The role and responsibilities of the RSC members are stipulated in the [Memorandum and Articles of Association of the RSC.](#)

## Funding

Under the Bangladesh Safety Agreement, signatory companies are required to fund the program and support the operations of the RSC. Contributions from each company are determined by a formula established by the Steering Committee, with a minimum of US\$ 1,000 and a maximum of US\$ 250,000 per year for the duration of the Agreement. A sliding scale of contributions based on factors such as revenues, number of factories and annual volume will be defined by the SC with annual revisions, while ensuring sufficient funding for the adequate implementation of the RSC. The RSC founding members, through their representatives on the RSC Board of Directors have agreed to industry contributions of 30% in 2023, 40% in 2024 and 50% in 2025 and 2026 of the RSC's operational costs.

## Coverage

### Signatory and Factory Base

Brands and retailers were invited to sign the Bangladesh Safety Agreement starting on 1 November 2023. Since then, the number of signatories has consistently increased. By 31 December 2023, 89 global brands had signed the agreement, [with the latest signatory list available here](#).

From November 2023 to March 2024, brands were given the option to sign the Bangladesh Safety Agreement and retain previously submitted factory information under the 2021 International Accord. By 31 December 2023, factory and worker coverage from over 180 signatories to the 2021 International Accord, covering Bangladesh, was retained in the Fair Factory Clearinghouse (FFC) database, resulting in over 1,700 covered factories and 2 million workers.

## Program Implementation

### Inspections and Remediation

**All factories listed by signatories to the Bangladesh Safety Agreement receive initial and follow-up inspections by the RSC engineers to monitor and verify remediation efforts.** These inspections focus on fire, electrical, structural and boiler safety at covered factories.

Following these inspections, factories develop a Corrective Action Plan (CAP) outlining necessary remediation actions, along with clear timelines and financial planning. These CAPs are regularly updated and published online, with details on remediation progress reported by the factories or identified by engineers during follow-up inspections.

**In 2023, RSC engineers conducted over 4,300 factory inspections** including 663 initial inspections and 3,685 non-initial inspections (follow-up, verification and special inspections). **A total of 221 factories received an initial inspection in 2023.**

At the start of 2023, RSC engineers had conducted over 30,798 follow-up inspections across Accord-covered factories<sup>4</sup> since the program began in Bangladesh, monitoring remediation progress and verifying the completion of corrective actions. By the end of the year, this number had increased to 31,520.

**As of 31 December 2023, 11,782 follow-up inspections focused on fire safety, 12,669 on electrical safety and 7,069 on structural safety.**

<sup>4</sup> From September 2021, the International Accord Steering Committee decided to discontinue covering factories not supplying Accord brands when the 2021 International Accord took effect. Therefore, the Accord no longer reports on the follow-up inspections at such factories. The RSC continues to cover these factories which have no business with Accord brands.



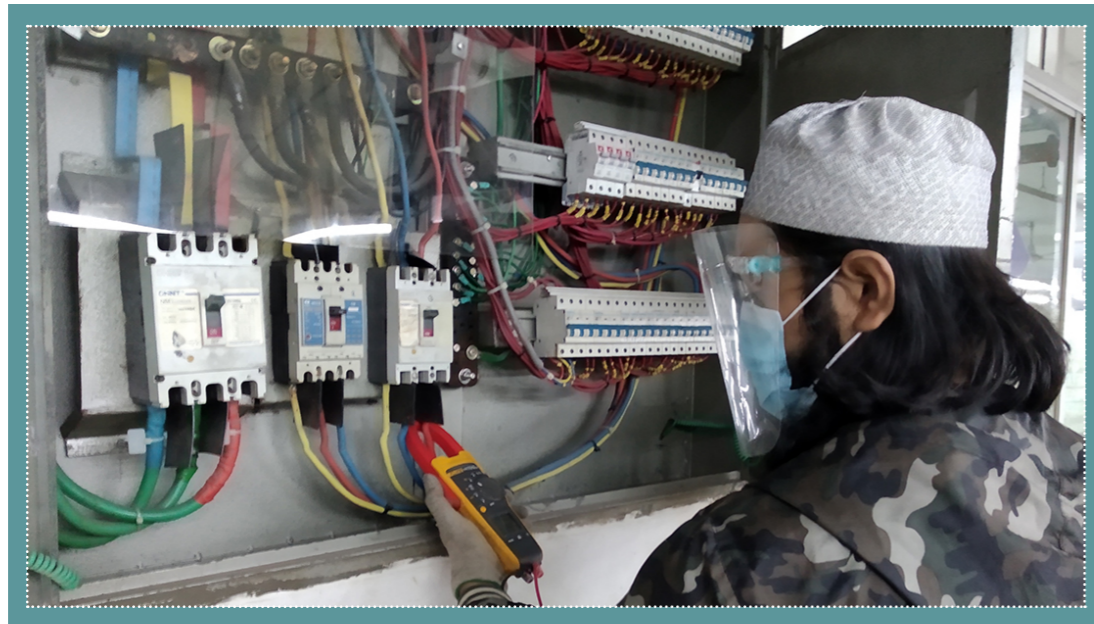
An RSC engineer performing a structural safety inspection using a ferro scanner to assess the strength of a factory building's column. Photo credit: RMG Sustainability Council (RSC).



An RSC engineer conducting a fire safety inspection. Photo credit: RMG Sustainability Council (RSC).

	31 DEC 2022	31 DEC 2023
Fire	11763	11782
Electrical	12119	12669
Structural	6916	7069
<b>TOTAL</b>	<b>30798</b>	<b>31520</b>

**Breakdown of follow-up inspections as of December 2023**



### Targeted Fire Safety Inspections

In addition to regular follow-up inspections, RSC engineers also conduct targeted inspections. The targeted fire safety inspections at covered factories include Testing & commissioning verification inspections (T&C VIs), Pre – T&C VIs and Negative Suction non-compliance-related inspections.

By the end of 2023, the engineers had conducted 1,451 Pre – T&CVIs, 1090 T&CVIs, 331 T&CVIs final verification inspections and 236 negative suction non-compliance-related inspections at covered factories.<sup>5</sup>

TARGETED FIRE SAFETY INSPECTIONS	31 DEC 2022	31 DEC 2023
Pre-Testing & commissioning verification inspections (T&CVIs) visits	1148	1451
T&CVIs	915	1090
T&CVI Final verification inspections	230	331
Negative suction non-compliance-related inspections	247	236
<b>TOTAL</b>	<b>2540</b>	<b>3108</b>

**Targeted fire safety inspections in 2023**

<sup>5</sup> The number of inspections related to negative suction non-compliance decreased in 2023 due to changes in the scope of covered factories. This included the delisting of some factories with outstanding CAP items on negative suction throughout the year.



**An RSC engineer conducting a visual inspection of a solid fuel boiler combustion chamber.**  
Photo credit: RMG Sustainability Council (RSC)

### Boiler Safety Inspections

A Boiler Safety Pilot Program in 2018-2020 identified significant safety hazards, such as non-compliant or missing boiler components and a lack of certification. In 2021, the RSC began integrating boiler safety into the inspection and remediation program. This included training a dedicated engineering for boiler inspections and initiating preliminary visual boiler inspections before carrying out more extensive inspections. These extensive inspections require a boiler shutdown to perform internal inspections and hydrostatic pressure tests.

**In 2023, RSC conducted 1514 visual, 354 internal, 342 hydrostatic and 149 functional boiler safety inspections.**

### Temporary Evacuations

**82 factory buildings were temporarily evacuated since the inspection program began in 2014 through December 2023; out of which 4 such evacuations were in 2023.**<sup>6</sup>

These temporary evacuations took place as the initial or follow-up inspections that uncovered severe and imminent risks, including fire, electrical or structural hazards. The majority of temporary evacuations to date have been prompted by fire incidents and cracks in structural columns. In such cases, the RSC Chief Safety Officer required the responsible signatory brands to ensure that the factory owner evacuates the building and halts production until it is confirmed that the building is safe to resume operations.

### Remediation Outcomes

The completion of safety remediation at Accord-covered factories in Bangladesh supplying signatories companies is monitored through regular follow-up inspections. The Accord Secretariat also conducts targeted remediation review meetings with individual signatory companies to identify high priority factories where remediation must be accelerated.

<sup>6</sup> The decrease in the number of temporary evacuations in 2023, compared to 86 evacuations by December 2022, is due to changes in the scope of covered factories, including the delisting of certain factories.

**In 2023, 90% of the safety issues identified during initial inspections at Accord-covered factories had been addressed.** Over the past few years, the remediation progress at covered factories in Bangladesh has been steady, with multiple factories quickly addressing smaller safety issues. **However, significant items such as access to safe exits, fire alarm systems and ensuring structural integrity in workplaces, remain unresolved, compromising worker safety in multiple factories.**

32% of the covered factories had completed their initial Corrective Action Plans (CAP) in 2023, while the remainder had yet to fully address their safety findings.

	FADS	SUPS	Progress and completion rates of common remediation items
Factories where FADS/SUPS are required	1547	1245	
Fire system verified as installed to standard and fully functional	484	322	
Fire system installation or verification outstanding	1063	923	

### Ensuring Remediation is Financially Feasible

The Secretariat facilitates discussions between the factory owner/management and the responsible brand(s), supporting the establishment of a finance plan at the start of the remediation journey. This finance plan is developed alongside the CAPs to outline how the remediation will be planned and financed, with clear timelines and concrete actions.

The Bangladesh Safety Agreement requires signatory companies to negotiate commercial terms with their suppliers which ensure that it is financially feasible for factories to maintain safe workplaces and comply with the remediation requirements instituted by the RSC's Chief Safety Officer (CSO).

The Secretariat is informed and monitors compliance if a signatory's supplier indicates that it not financially feasible to complete remediation.

Signatory companies use various mechanisms to make it financially feasible for their supplier factories to remediate including guaranteed order volumes for longer periods, higher volumes, soft loans, order pre-payment to improve cash-flow or direct cash assistance.

### Finance Requests

If remediation is not financially feasible, the factory may raise a remediation finance request, which may be raised at any time during the remediation process. In such cases, the factory may indicate to the RSC or the Accord Secretariat, either verbally or via email, that the factory does not have the financial resources to remediate within the timelines set out in the CAP. The Remediation Program Officer (RPO) is then tasked to inform the factory of the Accord's protocol and procedures, and the documents required to proceed with a finance request and submits the required documents. The factory confirms whether it wishes to proceed with raising the finance request. The Accord Secretariat with the support of the RSC strives to arrange a finance request meeting within 2 to 4 weeks from the factory confirming the request for support. The factory and all responsible Accord brands- both active and inactive--participate in this meeting.

If the factory provides all relevant documents in support of its request for support but the responsible brand(s) does not respond or the process does not result in a mutually acceptable agreement that ensures timely completion of the remediation, the Accord Secretariat refers the unmet finance request to the Steering Committee.

The Steering Committee reviews the finance request and decides whether the brand is in breach of its obligations. If the factory does not follow up or cooperate during the finance request process, the factory's request is dismissed. **In 2023, the Accord received five finance requests from covered suppliers in Bangladesh.**

### Factory Remediation Fund

The Accord Factory Remediation Fund was established in 2017 to support covered factories that no longer had any Accord signatory companies as customers. In July 2019, the Fund became available to all Accord-covered factories meeting certain criteria, including those that produce for Accord company signatories.

The funds made available through the Remediation Fund were distributed in several instalments, subject to factory cooperation, proof of payment towards remediation works, and verified completion of the remediation commensurate with each preceding instalment.

The Factory Remediation Fund closed on 31 May 2020 and the International Accord Secretariat continues to monitor the Factory Remediation Fund disbursement, subject to a Fund Agreement with each factory.

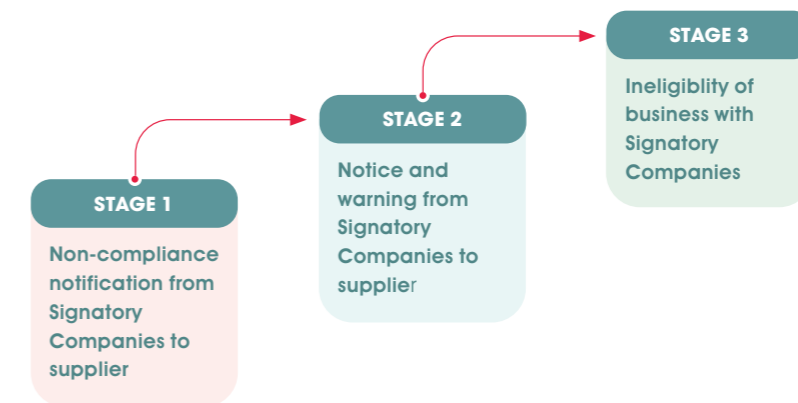
Details on the status of the FRF as of 31 December 2023, are shared below:

TOTAL FUNDING COMMITTED	DEC 2023	Funding status of Factory Remediation Fund as of December 2023
Total funding committed	\$1,405,796	
Total funding disbursed	\$1,157,224	

### Non-compliant Suppliers

Supplier factories failing to participate in the workplace safety programs prescribed by the International Accord go through a notice and warning (escalation) procedure under Article 30 of the 2023 International Accord and Article 21 of the Bangladesh Safety Agreement.

As part of the Bangladesh-based functions transitioning to the RSC on 1 June 2020, the implementation of the escalation protocol and procedures has become the responsibility of the RSC Chief Safety Officer (CSO), with the Accord Secretariat monitoring and enforcing adherence by the signatories to the Escalation Protocol. The escalation procedure consists of three stages:



**Examples of factory non-compliance** that could trigger the implementation of the escalation protocol include:

- Refusal to temporarily evacuate a critically unsafe factory.
- A lack of progress in finalising corrective action plans or executing required safety renovations.
- Refusal to resolve worker complaints on occupational safety and health (OSH) issues.
- A lack of cooperation with Accord (now RSC) trainers, case handlers, OSH complaint handlers, and/or engineers.

If no action is taken following the first warning or the engineers do not see significant progress, the supplier is escalated to Stage 2 and the responsible signatory companies issue a warning letter to the supplier. At this stage, mandatory meetings are held with the factory management, the responsible signatory companies, the Accord Secretariat, and the RSC to discuss the issue at hand. If the factory remediates the CAP items for which they were escalated to Stage 2, does not have other CAP items recommended for escalation, and has its FADS & SUPS ready for Pre-T&CVI, the factory is de-escalated from Stage 2.

If the requirements are not met, the factory risks being escalated to Stage 3 and have signatory companies terminate their business relationship with the factory. Moreover, the factory would become ineligible to produce for other Accord signatory companies.

Factory escalations and de-escalations in 2023	
Stage 1	211
Stage 2	98
De-escalated	421
Number of factories made Ineligible for business with Accord signatories	341

**In 2023, 421 suppliers were de-escalated, 211 were in Stage 1, and 98 were in Stage 2 of escalations. As of 31 December 2023, the total number of ineligible supplier factories was 341.**

Ineligibility for Accord company production applies for a minimum period of 18 months and until the conditions for requalification have been met. The Accord works with its signatories to ensure that any affected workers are offered employment with safe supplier facilities. Ineligible factories are handed over to the Inspector General of the Government of Bangladesh's Department of Inspection for Factories and Establishments. The factories' inspection reports and Corrective Action Plans are handed over for the Inspector General's attention and authority to address the ongoing safety concerns at these factories.

The application of group ineligibility, as applied until May 2019, means that the number of supplier factories ineligible for business with Accord signatories is larger than the number of factories escalated to Stage 3. The application of group ineligibility was replaced by the commitment of the BGMEA and BKMEA to withhold issuance of the Utilisation of Declaration (UD) disallowing the factory to export their products. At time of writing zero UD's have been withdrawn.

### Workplace Safety Programs

Signatories to the International Accord recognise that factories cannot be maintained as safe workplaces without the active participation of workers. Through safety training, worker awareness activities and an independent Complaints Mechanism for workers and their representatives, the Accord signatories encourage workers at covered factories to help monitor and address safety in their factories on a day-to-day basis.

Under the International Accord and the Bangladesh Safety Agreement, workers at covered factories have the following rights:

- The right to refuse unsafe work
- The right to participate in the work of their factory Safety Committee
- The right to file a complaint when they see a safety problem in their factory
- The right to protection against reprisal for reporting safety-related matters
- The right to Freedom of Association in relation to protecting their own safety



**An RSC Safety Committee training session in progress. Photo credit: RMG Sustainability Council (RSC).**

### Safety Committee and Safety Training Program (SCST)

Joint labour-management Safety Committees at covered factories in Bangladesh are trained to address and monitor workplace safety and health; all the workers in the factory are informed about essential workplace safety and health issues.

Functional Safety Committees and an informed workforce are key to ensuring that factories become and remain safe workplaces.

Since June 2020, the Accord's Safety Committee and Safety Training Program is being implemented by the RSC. This training program<sup>7</sup> covers basic safety procedures and precautions, as well as enables workers to voice concerns and actively participate in activities to ensure their own safety. Over 40 staff members in the Training Department at the RSC focus on building these Committees, ensuring their effectiveness in addressing and monitoring safety and health issues on a day-to-day basis, and integrating their responsibilities into the functions of the factory.

The Safety Committee and Safety Training Program<sup>8</sup> consists of the following components:

- Initial Meeting with Factory Management and signatories
- 8 Session Safety Committee Training Curriculum
- All Employee Meetings (AEMs)
- Factory walk-throughs
- Ongoing support for effective functioning of Safety Committees

From March 2020 and throughout 2021, All Employee Meetings (AEMs) to inform all workers in a factory about health and safety were suspended due to the Covid-19 pandemic.

**By the end of 2023, 1,188 Safety Committees at covered factories has completed the full safety training curriculum.**

<sup>7</sup> More details about the Workplace Programs can be found under the Workers section of the International Accord website: <https://internationalaccord.org/workers/>

<sup>8</sup> As per Article 12b of the 2018 Transition Accord, the Accord Steering Committee decided that the Safety Committee and Safety Training Program will include an 8<sup>th</sup> training session and a 3<sup>rd</sup> All Employee Meeting with a focus on common health hazards and the workers' right to Freedom of Association in relation to health & safety. These training elements have been rolled-out at factories starting in September 2019.



	Factories yet to start the Safety Committee training	Safety Committees completed the original safety training curriculum	Safety Committees completed the full safety training curriculum
31 DEC 2022	336	1,146	1,108
31 DEC 2023	456	1,217	1,188

#### Status of the SCST program as of 31 December 2023

	All Employee Meeting 1: Safe evacuation and safety hazards in RMG factories	All Employee Meeting 2: Workers' rights and responsibilities with respect to a safe workplace	All Employee Meeting 3: Health hazards and the right to Freedom of Association in relation to health & safety
31 DEC 2022	1100	930	366
31 DEC 2023	1201	999	715

#### Status of factories that had conducted All Employee Meetings (AEMs) as of 31 December 2023

### Worker Complaints Mechanism

Signatories to the Bangladesh Safety Agreement provide for an independent Complaints Mechanism at all covered factories focused on occupational health and safety (OSH) issues. Through this mechanism, workers and their representatives can raise concerns on health and safety risks safely, and if they choose so, confidentially.

The mechanism ensures that safety and health concerns at the covered factories are properly addressed and remediated, and that the right to refuse unsafe work is upheld. Since June 2020, the Complaints Mechanism is being implemented by the RMG Sustainability Council (RSC) in Bangladesh, following the same procedures to handle complaints as developed by Accord signatories under the 2013, 2018 and 2021 Accords.

Workers who utilise the mechanism or who exercise the right to refuse unsafe work must not face retaliation. In cases of retaliation, the violations should be remedied. A failure to provide remedy triggers the notice and warning provisions of the International Accord and the Bangladesh Safety Agreement.

In line with the Accord's transparency and accountability provisions, once a complaint has been closed, a short summary of the complaint is published on the International Accord website.<sup>9</sup>

The Complaints Mechanism meets the effectiveness criteria for Non-Judicial Grievance Mechanisms (UNGP Article 31, Pillar III – Access to Remedy). In 2020, the International Accord Secretariat reviewed the effectiveness of this Mechanism using the criteria for non-judicial grievance mechanisms prescribed by the UNGPs. [A summary of the analysis is available here.](#)

**By the end of 2023, a total of 8269 complaints had been received under the Accord's Complaints Mechanism. Out of these, 2621 complaints were OSH issues whereas the remaining 5648 were non-OSH complaints.** Non-OSH issues fall beyond the scope of the Accord Complaints Mechanism

<sup>9</sup> <https://internationalaccord.org/workers/complaints-mechanism/>

and are forwarded to relevant parties. Of the total complaints received, 2645 were filed within the year 2023. At the time of writing this report, the RSC has conducted a pilot program on the expansion of the Complaints Mechanism to cover non-OSH issues.

	Total	OSH	Non-OSH
TOTAL COMPLAINTS RECEIVED AS OF DEC 2023	8269	2621	5648
TOTAL NUMBER OF COMPLAINTS RECEIVED IN 2023	2645	529	2116
% OF OSH VS NON-OSH COMPLAINTS RECEIVED AS OF DEC 2023	-	20%	80%

### All signatory, Brand Caucus and Regional Meetings

The Secretariat periodically conducts All signatory, Brand Caucus and Regional Meetings to inform signatories of developments regarding Accord implementation, discuss priorities for remediation completion, and share good practices. **In 2023 the Accord Secretariat conducted one All Signatory Meeting, four Brand Caucus Meetings, and seven Regional Cluster Meetings.** These meetings focused on providing key updates to Accord signatories on the rollout and operations of the Pakistan Accord, the negotiations for the renewal of the International Accord, and key financial and budget updates.

### Collective Efforts to Drive Remediation Progress

Accord signatories work with factories to drive remediation progress. For every factory, the Accord nominates a Lead Brand to liaise with the factory on behalf of all Accord companies responsible for remediation at that factory. This approach allows for each company to focus their time and efforts on driving remediation in a subset of their factories.

The Lead Brand is expected to visit or speak with their assigned factories regularly to discuss which safety remediation work is not yet completed and to ensure the factory receives any technical guidance they need to continue. Many companies have recruited engineers to carry out these visits and support factories in implementing their remediation.

The Lead Brands maintain close communication with the Accord team to update on progress which also helps the Accord prioritise follow-up inspections and verification. If a Lead Brand is concerned at lack of remediation progress, they call a meeting with the Factory Management, all Accord companies sourcing from the same factory and the Accord team to work out a realistic plan to address the factory's challenges. In this way signatory companies maximise their impact through one-to-one engagement with factories via the Lead Brand or as a collective where necessary.

### Remediation Review Meetings with Signatory Companies

In 2015, the Accord Secretariat began a series of targeted remediation review meetings with individual signatory companies to identify high priority factories where remediation must be accelerated. These meetings aim to support brands in implementing the Accord effectively by sharing leading practice, using the Accord data to prioritise factory engagement and to drive CAP completion.

These meetings are also an opportunity for the Accord to provide specific guidance to individual signatory companies, adapted to the specific way that each company operates (e.g., retailer or importer, with or without local staff in Bangladesh). Remediation review meetings can be initiated by either the Accord Secretariat or the signatory companies, as they see fit.

**In 2023 the Accord held x remediation review meetings, compared to one in 2022. These meetings comprised detailed discussions with brands on prioritising factory engagement, and driving CAP completion at their supplier facilities.**

## Collective Efforts to Renew the Accord

After intensive negotiations between brand and trade union representatives on the Accord Steering Committee from August and November 2023, the International Accord was renewed as a framework agreement named the International Accord for Health and Safety in the Textile and Garment Industry (International Accord). [Read the International Accord here.](#)

Brands and trade unions renewed their commitments for a three-year term, with an automatic renewal for an additional three years, making it the longest Accord commitment to date.

This new iteration of the International Accord took effect on 1 November 2023. This enduring commitment reflects the conviction of the brand and trade union signatories regarding the Accord's impact on workplace health and safety through independent factory inspections, remediation, safety training, and an effective worker Complaints Mechanism.

The renewed International Accord is a legally binding framework agreement under which the CSSPs will be implemented in Pakistan and through the RSC in Bangladesh, with provisions to develop future health and safety programs in other major garment-producing countries based on feasibility and expansion criteria.

Key new features of the International Accord framework include:

- An international framework:
  - (a) committing to expanding the health and safety work progressively in the coming years to other countries, based on feasibility studies and successful progress made in the existing country programs;
  - (b) considering a future expansion of the scope of the worker Complaints Mechanism beyond health and safety in CSSPs; and
  - (c) outlining the key signatory obligations and principles upon which country programs will be built. The details of the country programs will be outlined in Addendums to the International Accord.
- Participating brands will sign both the International Accord framework agreement and the relevant CSSP agreements they choose to participate in.
- The Pakistan Accord, which was signed in January 2023, will continue as an Addendum to the International Accord.

Negotiations for a new Bangladesh CSSP also concluded in November 2023. This agreement, named the Bangladesh Agreement on Health And Safety in The Textile And Garment Industry (Bangladesh Safety Agreement) will continue the signatories' commitments to the health and safety program in Bangladesh through the RSC. [Read the Bangladesh Safety Agreement here.](#)

## Accord Participation at Events

In his capacity as the Dutch OECD National Contact Point, our Executive Director Joris Oldenziel moderated the session [Due diligence costs and responsibilities: Collaborative approaches to buyer supplier relationships](#), during the OECD Forum on Due Diligence in the Garment and Footwear Sector.

Speakers **Sarah Dadush**, Rutgers Law School, **Xiaohui Liang** from China National Textile and Apparel Council (CNTAC), **Michael Bride** from PVH and **Anant Ahuja** from Shahi Exports shared current examples, challenges and benefits of buyer-supplier collaboration models on shared due diligence implementation. [The session underscored that human rights due diligence is a shared responsibility for all actors in the garment supply chain.](#)



The International Accord's Executive Director, Joris Oldenziel, moderated a session on collaborative approaches to buyer-supplier relationships in his capacity as the Dutch OECD National Contact Point.

[The International Accord also organised a virtual side session for the OECD Forum](#) to discuss the challenges and opportunities for the recently launched Pakistan Accord. Around 110 participants across academia, media, government, industry associations and clothing brands joined this session.

Moderated by Joris Oldenziel, the session featured a distinguished panel of speakers who shared their perspectives on how best to implement the Pakistan Accord, so it works for and benefits everyone. The speakers reflected on the workplace safety program in Bangladesh and discussed how its learnings can be best adapted and applied to the Pakistan Accord.

This session included participation from, **Masarrat Quader**, H&M Group, and member of the Accord Steering Committee, **Christina Hajagos Clausen**, IndustriALL Global Union and member of the International Accord Steering Committee, **Usman Rasheed** from Taiga Apparel (Pvt.) Ltd (Pakistan), **Mohammed Sohel**, Managing Director at Bangla Poshak Limited (Accord-covered factory), **Bushra Baten**, PVH Corp. (Bangladesh and Pakistan) and **Kaschif Israr**, Euro Centra (Pakistan).

Zulfiqar Shah, Country Manager for the Pakistan Accord, also represented the Accord at the 4<sup>th</sup> UN South Asia Forum on Business and Human Rights, organised by UNDP Business and Human Rights Asia, held from March 20-22, 2023, in Kathmandu, Nepal.

In addition, the Accord participated in activities and sessions organised by the Best of Bangladesh team, the American Apparel & Footwear Association (AAFA), IndustriALL, and the Interfaith Center on Corporate Responsibility (ICCR) in 2023.



Zulfiqar Shah, Country Manager for the Pakistan Accord spoke at the 4th UN South Asia Forum on Business and Human Rights.

## DIRECTORS' STATEMENT

In 2023, the successful negotiations between global brand and trade union representatives for the renewal of the International Accord for Health and Safety in the Textile and Garment Industry (International Accord) culminated in the longest ever commitment in the Accord's history. This commitment reaffirmed the collective dedication of the Accord signatories to safer garment factories. The 2023 International Accord is a framework agreement to continue implementing the Accord's Country-Specific Safety Programs (CSSPs) in Bangladesh, Pakistan, and other key countries in the future.

2023 was a foundational year for the Pakistan Accord on Health and Safety in the Textile and Garment Industry (Pakistan Accord), which commenced at the start of the year. We laid down the groundwork to implement the Pakistan Accord by conducting the first factory inspections, developing key protocols, and the Pakistan Accord Building Standard. We also hired key staff and started building teams that would be pivotal to implementing the program in Pakistan.

While preparations for the new Pakistan program progressed, the RMG Sustainability Council (RSC) continued the health and safety efforts in Bangladesh. The health and safety work at covered factories will be carried out under the Bangladesh Agreement on Health and Safety in the Textile and Garment Industry (Bangladesh Safety Agreement), which took effect on 1 November 2023.

**By the end of 2023, the remediation rate across over 1700 Accord-covered factories in Bangladesh stood at 90%**, reflecting the continuous efforts in ensuring safer working environments.

**Moreover, the Safety Committee and Safety Training Program (SCST) has been steadily rolling out with 1,188 Safety Committees at covered factories completing the full curriculum.** Since its inception in September 2015, more than 1200 factories had organised the first All Employee Meeting on safe evacuation and safety hazards in Bangladeshi RMG factories, reinforcing the importance of worker awareness and participation within the industry.

In 2023, the number of complaints filed under the Accord OSH Complaints Mechanism saw an increase. Workers and their representatives submitted over 2640 complaints, with the primary concerns around employment benefits and wages.

We are pleased to present the financial report for the year ending 31 December 2023, which highlights a deficit of \$ 217,531 in income over expenditure. The anticipated deficit had been budgeted at approximately \$ 2.2 million, and the positive variance can be primarily attributed to:

- Extra income:

- Grants

- For the project 'Remediation and Remedy: Supporting safety and sustainability in Pakistan's textile and garment sector' the Foundation received a grant from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH for the period August 2023-April 2025.

Total grant for the entire project period is \$ 1,352,120. Total income 2023 based on actual expenditures was \$ 264,753.

The grant was not foreseen when finalising the budget 2023 back in 2022.

- Less expenditures:

- Staff costs

- Actual expenditure \$ 853k, which is \$ 344k less than budgeted. This mainly due to staff costs that could be allocated to the GIZ project, app. \$ 108k. And less expenditure on temporary work-force/consultants as Accord Technical Advisor was contracted less than budgeted as the Accord contracted an engineering consultant company instead and focused on stakeholder engagement and setting up of the Pakistan Accord operations.

- Bangladesh operations \$ 5.148k, which is \$ 817k less than budgeted. The actual disbursed funds to the RSC were less than budgeted.

- Pakistan operations \$ 1.099k, which is \$ 171k less than budgeted. The establishment of the operations of the Pakistan Accord took until September/October 2023 which resulted in less expenditure than budgeted.

For the financial year ending 31 December 2024, a surplus of \$ 459k is expected, which will be added to the general reserve and the designated funds. This will result in a projected total reserve balance of \$ 2.2 million by the end of December 2024.

On behalf of the Board, I would like to extend our gratitude to all stakeholders, partners, and staff for their continued commitment and dedication to ensuring the success of these initiatives.



Alke Boessiger  
Board Member and Member of the Audit Committee  
12-12-2024



Michael Reidick  
Board Member and Member of the Audit Committee  
12-12-2024

# FINANCIAL REPORT

## 2023

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## 1 BALANCE SHEET

	December 31, 2023	December 31, 2022
<b>ASSETS</b>	\$	\$
<b>Tangible fixed assets</b>	12,568	4,877
<b>Financial fixed assets</b>	1	-
<b>Receivables</b>		
Debtors	895,893	750,513
Other receivables and accrued assets	498,308	34,651
	<u>1,394,201</u>	<u>785,164</u>
<b>Banks and petty cash</b>	702,782	2,408,749
	<u>2,109,552</u>	<u>3,198,790</u>
	<u>2,109,552</u>	<u>3,198,790</u>
	\$	\$
<b>LIABILITIES</b>		
<b>Reserves</b>		
General reserve	1,038,584	2,001,507
Designated reserve CCSP Bangladesh	200,000	-
Designated reserve Pakistan	545,572	-
	<u>1,784,156</u>	<u>2,001,507</u>
<b>Current liabilities</b>		
Creditors	34,513	7,656
Salaries, taxes, social contributions	27,427	19,461
Remaining accounts payable	170,921	55,001
Accounts received in advance	92,536	1,115,166
	<u>325,397</u>	<u>1,197,283</u>
	<u>2,109,552</u>	<u>3,198,790</u>



#### 4 SPECIFICATION OF THE BALANCE SHEET: CURRENT ASSETS

##### Tangible fixed assets

1 January		
Purchase value	33,413	
Accumulated depreciation	28,536	
Book value		4,877
Changes during financial year		
Investments	11,756	
Depreciation	4,065	
		7,692
31 December		
Purchase value	45,169	
Accumulated depreciation	32,601	
Book value		12,568

December 31, 2023

\$

December 31, 2022

\$

##### Financial fixed assets

###### Shareholding International Accord B.V.

1 January	-	-
Investment/result	1	-
	1	-

December 31, 2023

\$

December 31, 2022

\$

##### Receivables Debtors

Debtors	1,030,401	801,249
Provision doubtful debtors	134,508-	50,736-
	895,893	750,513

Debtors: \$937,865 is the outstanding amount by the end of 2023.

##### Other receivables and accrued assets

VAT	17,361	-
To be invoiced	422,179	236
To be received	3,606	-
Paid in advance	43,583	21,529
Deposits	11,579	12,886
	498,308	34,651

##### Banks and petty cash

ING EUR	218,396	304,183
ING USD	495,135	2,106,058
ING savings	-	-
Deposits in transfer	10,749-	1,491-
	702,782	2,408,749

All cash balances are freely disposable.

#### EXPLANATION OF THE BALANCE SHEET: CURRENT LIABILITIES

	December 31, 2023	December 31, 2022
	\$	\$
<b>General reserve</b>		
Accumulated reserves		
Reserve at January 1	2,001,507	891,480
Result	962,923-	1,110,027
Reserve at December 31	1,038,584	2,001,507

The Accord Steering Committee agreed to designate the general reserve is kept as a continuity reserve to cover International Accord Secretariat staff costs for a year in case no new Accord agreement is signed and no further income generated, as well as a reserve of \$ 200,000 of IT/database development.

##### Designated fund CCSP Bangladesh

Fund at January 1	-	-
Result	200,000	-
Fund at December 31	200,000	-

This fund includes the balance of the signatory fees for CCSP Bangladesh minus the costs incurred. It's a buffer for cost to be made in the years to come. Since the Accord of November 2023 is the first year there are separate signatory fees for CCSP Bangladesh and International Accord. The \$ 200,000 is based on an estimate.

##### Designated fund Pakistan

Fund at January 1	-	-
Result	545,572	-
Fund at December 31	545,572	-

This fund includes the balance of the signatory fees Pakistan minus the costs incurred. It's a buffer for cost to be made in the years to come. 2023 was the start up year for the Pakistan Accord. Due to some delays less costs were made than was anticipated. This is to be expected to be spend in 2024, including an additional expenditure of \$ 500,000 for additional international engineering consultancy for training and inspections.

## EXPLANATION OF THE BALANCE SHEET: CURRENT LIABILITIES (CONTINUED)

	December 31, 2023	December 31, 2022
	\$	\$
<b>Creditors</b>		
Miscellaneous	34,513	7,656
	<u>34,513</u>	<u>7,656</u>
<b>Salaries, taxes and social contributions</b>		
Social taxes	27,427	19,461
	<u>27,427</u>	<u>19,461</u>
<b>Remaining accounts payable</b>		
VAT	-	4,396
Auditor	45,926	35,972
Grants to be spent	15,907	-
Remaining accounts payable	109,089	14,633
	<u>170,921</u>	<u>55,001</u>
<b>Accounts received in advance</b>		
Deferred income	92,536	1,115,166
	<u>92,536</u>	<u>1,115,166</u>

## OFF-BALANCE-SHEET RIGHTS, OBLIGATIONS AND ARRANGEMENTS

### Rent commitments

The International Accord Foundation has a rental agreement in the Netherlands for Prins Hendrikkade 25 2, Amsterdam which is for an indefinite period and has a notice of 6 months. The remaining obligations amounts to \$ 23,883, the amount payable within one year is \$ 27,159 and after five years \$ 0.

### RMG Sustainability Council (RSC)

The Accord and the RSC signed a funding agreement for the period 1<sup>st</sup> November 2023 to 31<sup>st</sup> December 2026. The signatories to the International Accord agree to continue the health and safety program in Bangladesh through the RMG Sustainability Council ("RSC"). The International Accord Secretariat supports, coordinates and liaises with the operations of the RSC in order to ensure that the obligations under the International Accord agreement are met. The Foundation shall collect the funds necessary for the implementation of this agreement. The Foundation will transfer the funds necessary to the RSC, as per the approved RSC budget. In 2023 a total of \$ 4,991,572 was transferred to the RSC.

### Factory Remediation Fund

The Steering Committee developed a Factory Remediation Fund in 2017 for Accord-covered factories that require financial support to meet the International Accord's remediation requirements. The funds made available through the Remediation Fund are distributed in several instalments, subject to factory cooperation, proof of payment towards remediation works and verified completion of the remediation commensurate with each preceding instalment. The International Accord Secretariat monitors the Factory Remediation Fund expenditure and coordinates the disbursements of each fund instalment.

As per 31-12-2023 the total outstanding commitments (contractual agreed amounts minus disbursements) amounts to \$ 46,863.

## 5 STATEMENT OF INCOME AND EXPENDITURE - EXPLANATION INCOME

INCOME	BUDGET		
	2023	2023	2022
	\$	\$	\$
<b>Signatory fees</b>			
Signatory fees Bangladesh	5,569,101	5,920,000	7,346,127
Signatory fees Pakistan	1,408,750	1,152,500	-
Signatory fees International Accord	211,714	-	-
	<u>7,189,565</u>	<u>7,072,500</u>	<u>7,346,127</u>
<b>BANGLADESH</b>			
Signatory fees 2023 is 10/14 <sup>th</sup> of the total signatory fees of year 2022-2023 and 2/14 <sup>th</sup> of the total signatory fees of year November 2023 - December 2024.			
<b>PAKISTAN</b>			
Signatory fees 2023 100% income for 2023.			
<b>INTERNATIONAL ACCORD</b>			
Signatory fees 2023 is 2/14 <sup>th</sup> of the total signatory fees of year 2023-2024.			
<b>Grants</b>			
GIZ project income	264,753	-	-
	<u>264,753</u>	<u>-</u>	<u>-</u>
<b>Credit interest</b>			
	3,632	-	-
	<u>3,632</u>	<u>-</u>	<u>-</u>

## STATEMENT OF INCOME AND EXPENDITURE - EXPLANATION EXPENDITURES

EXPENSES	BUDGET		
	2023	2023	2022
	\$	\$	\$
<b>Personnel expenses</b>			
Gross salaries	452,922	489,013	416,098
Remuneration foreign employees	229,920	288,560	169,541
Social contributions	64,423	73,352	60,415
Pension contributions	45,292	49,937	40,395
Allowances	-	-	2,299
Severance liability & projected leave cash out	-	50,000	-
Temporary work-force/consultants	92,005	161,700	101,831
Travel & subsistence	57,916	63,250	39,549
Other staff costs	18,638	21,000	17,796
	<u>961,117</u>	<u>1,196,813</u>	<u>847,925</u>
Staff costs allocated to Pakistan operations	<u>108,122-</u>	<u>-</u>	<u>-</u>
	<u>852,995</u>	<u>1,196,813</u>	<u>847,925</u>

There are 6 board members which are unremunerated.

The average FTE for 2023 was 5.9 (2022: 5.5).

Less expenditure on temporary work-force/consultants as Accord Technical Advisor was contracted less than budgeted as the Accord contracted an engineering consultant company instead and focused on stakeholder engagement and setting up of the Pakistan Accord operations.

## STATEMENT OF INCOME AND EXPENDITURE - EXPLANATION EXPENDITURES (CONTINUED)

EXPENSES	BUDGET		
	2023	2023	2022
	\$	\$	\$
<b>Organisation costs</b>			
Communications	38,719	42,000	36,439
Rent	50,849	49,414	45,746
Office supplies	8,916	19,000	4,210
Computer maintenance and installation	6,165	6,000	4,329
Costs doubtful debtors	67,120	177,600	-
Insurances	308	9,500	728
Depreciation	4,018	3,300	2,851
	<u>176,095</u>	<u>306,814</u>	<u>94,303</u>
<b>Banking and exchange difference costs</b>			
Banking costs and exchange differences	<u>982-</u>	<u>12,000</u>	<u>43,842</u>
	<u>982-</u>	<u>12,000</u>	<u>43,842</u>

Costs doubtful debtors have been budgeted for, but actual costs have been less due to good debtor management with help from the Board members.

Banking costs are mainly due to the exchange differences in 2023.



● **STATEMENT OF INCOME AND EXPENDITURE - EXPLANATION EXPENDITURES (CONTINUED)**

	BUDGET		
	2023	2023	2022
	\$	\$	\$
<b>Group corporate costs</b>			
Brands and Steering Committee meetings	39,324	34,000	9,891
Website development and support	8,667	15,600	28,338
Public relations	21,617	34,000	16,014
Legal advise	16,957	60,000	26,695
Bookkeeping and payroll administration	30,638	33,000	21,057
Audit costs	31,800	28,000	34,475
Fair Factories Clearinghouse (FFC)	85,216	108,000	82,020
CRM	1,260	-	-
Insurances	24,513	27,600	27,259
Brands Association	4,953	-	10,000
Miscellaneous	-	50,000	-
	<u>264,945</u>	<u>390,200</u>	<u>255,749</u>
<b>Bangladesh operations</b>			
Inactive remediation fund	40,837	167,335	32,665
RSC expenses	5,107,630	5,797,515	4,669,153
	<u>5,148,467</u>	<u>5,964,850</u>	<u>4,701,818</u>

A smaller portion of the funds for the Inactive Factory Remediation Fund was accessed in 2023 in part due to the ongoing impact of the pandemic on the recipient factories' ability to advance / complete remediation and in part related to the suspension of field inspections (due to the pandemic) to verify completion of remediation required for distribution of subsequent tranches of funds to recipient factories.

The actual RSC expenses are accounted for based on contractual disbursements. These are quarterly disbursed in advance of the quarter. The budget was based on the expected monthly costs in Bangladesh. The contribution of the International Accord to the RSC's budget decreases over years as the industry associations in Bangladesh committed to an increasing percentage of the RSC budget up to 50% in five years since 2020.

● **STATEMENT OF INCOME AND EXPENDITURE - EXPLANATION EXPENDITURES (CONTINUED)**

	BUDGET		
	2023	2023	2022
	\$	\$	\$
<b>Pakistan operations</b>			
International Accord costs	715,557	-	-
GIZ funded costs	235,541	-	-
Pakistan Accord costs	147,621	1,270,152	-
	<u>1,098,719</u>	<u>1,270,152</u>	<u>-</u>
The establishment of the operations of the Pakistan Accord took until September/October 2023 which resulted in less expenditure than budgeted.			
<b>Country Specific Safety Programs (CSSP)</b>			
Travel to potential CSSP countries	37,457	36,000	54,577
Programs, meetings, roundtables in potential CSSP countries	17,168	17,000	19,681
Local consultants in potential CSSP countries	9,125	28,000	22,603
Materials and translation	6,814	13,500	2,420
Pilot inspections in potential CSSP countries	64,498	80,000	193,180
	<u>135,062</u>	<u>174,500</u>	<u>292,462</u>

Less expenditure on pilot inspections, as pilot inspections were only conducted in Pakistan, not in other CSSP countries.

**6 OTHER INFORMATION**

● **6.1 STATUTORY PROVISIONS GOVERNING PROFIT APPROPRIATION**

The articles of association of the Foundation do not stipulate any provisions governing the appropriation of profit.

● **6.2 APPROPRIATION OF RESULT**

By decision of the board the negative result of \$ 217,531 will be split between the general reserve and the appropriated reserves.



**INDEPENDENT AUDITOR'S REPORT**

To: the board of Stichting International Accord Foundation.

**A. Report on the audit of the financial statements 2023 included in the annual report.**

**Our opinion**

We have audited the financial statements 2023 of Stichting International Accord Foundation based in Amsterdam, the Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting International Accord Foundation at 31 December 2023 and of its result for 2023 in accordance with the 'RJ-Richtlijn C1 Kleine organisaties zonder winststreven' (Guideline for annual reporting C1 'Small not-for-profit organisations') of the Dutch Accounting Standards Board).

The financial statements comprise:

1. the balance sheet as at 31 December 2023;
2. the statement of income and expenditure for 2023; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

**Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting International Accord Foundation in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**B. Report on the other information included in the annual report.**

The annual report contains other information, in addition to the financial statements and our auditor's report thereon. The other information consists of the Board's report (page 2 to page 37 and page 53 to page 57).

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Dubois & Co. Registeraccountants is een maatschap van praktijkvennootschappen. Op alle opdrachten die aan ons kantoor worden verstrekt zijn onze algemene voorwaarden van toepassing. Deze voorwaarden, waarvan de tekst is opgenomen op de website www.dubois.nl, bevatten een aansprakelijkheidsbeperking.



Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board is responsible for the preparation of the other information, being the Board's report (page 2 to page 37 and page 53 to page 57) in accordance with Guideline for annual reporting 'RJ-Richtlijn C1 Kleine organisaties zonder winststreven' (Guideline for annual reporting C1 'Small not-for-profit organisations').

**C. Description of responsibilities regarding the financial statements**

**Responsibilities of the board for the financial statements.**

The board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 'RJ-Richtlijn C1 Kleine organisaties zonder winststreven' (Guideline for annual reporting C1 'Small not-for-profit organisations'). Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting, unless the board either intends to dissolve the foundation or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

**Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion. We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 9 January 2025

Dubois & Co. Registeraccountants

Digitaal ondertekend door G. Visser RA

G. Visser RA

## BOARD OF DIRECTORS (AT THE TIME OF WRITING THIS REPORT)

	MEMBERS	ORGANISATION	APPOINTED ON
<b>BOARD</b>	Atle Hoie	IndustriALL Global Union	17 January 2022
	Mathias Bolton	UNI Global Union	13 January 2017
	Amirul Haque Amin	National Garment Workers Federation	28 June 2019
	Michael Bride	PVH	15 October 2020
	Felicity Kate Davies	Bestseller	15 April 2021
	Jorge Alonso	Inditex	20 March 2024

	MEMBERS	ORGANISATION
<b>ALTERNATES</b>	Alke Boessiger	UNI Global Union
	Christina Hajagos-Clausen	IndustriALL Global Union
	Kamrul Anam	Bangladesh Textile & Garment Workers League
	Michael Reidick	C&A
	Jochen Jutte-Overmeyer	Otto Group
	Michelle Tarry	Aeo Inc

## EXECUTIVE LEADERSHIP

Joris Oldenziel, Executive Director



## LIST OF SIGNATORIES (AS OF 31 DECEMBER 2023)

### Company Signatories

#### International Accord

- |          |   |  |
|----------|---|--|
| <b>A</b> | 1. 47 Brand                                       | 52. Lidl (Gesellschaft und Umwelt International) |
|          | 2. Active Brands                                  | 53. Lindex                                       |
|          | 3. Adidas Group                                   | 54. Lowland Fashion International                |
|          | 4. AEO Inc. (American Eagle and Aerie)            | <b>M</b> 55. Magna Collection                    |
|          | 5. Aldi North                                     | 56. Mango  |
|          | 6. Aldi South                                     | 57. Marks and Spencer                            |
|          | 7. America Today                                  | 58. MONOPRIX                                     |
|          | 8. Aplareds Konfektion AB                         | 59. Montane Ltd                                  |
|          | 9. Artsana S.p.A.                                 | 60. MS Mode                                      |
|          | 10. Asos  | <b>N</b> 61. N Brown Group                       |
| <b>B</b> | 11. Benetton Group SRL                            | 62. NA-KD (Nakdcom One World AB)                 |
|          | 12. BESTSELLER                                    | 63. New Frontier GmbH                            |
|          | 13. Breiding Vertriebsgesellschaft mbH            | 64. New Wave Group AB                            |
|          | 14. Bubbleroom                                    | <b>O</b> 65. OLYMP Bezner KG                     |
| <b>C</b> | 15. Carrefour                                     | 66. O'Neill Europe B.V                           |
|          | 16. Crony Group                                   | 67. Otto Group                                   |
| <b>D</b> | 17. Dyckhoff                                      | 68. OVS S.p.A.                                   |
| <b>E</b> | 18. Ellos Group Sweden AB                         | <b>P</b> 69. Polarn O. Pyret AB                  |
|          | 19. Equip Outdoor Technologies (UK) Ltd           | 70. Prénatal Moeder & Kind B.V                   |
|          | 20. Ernsting's family GmbH & Co. KG               | 71. Primark (ABF)                                |
|          | 21. Euro Shoe Group (Bristol)                     | 72. Princess Gruppen AS                          |
| <b>F</b> | 22. Face to Face                                  | 73. Puma SE                                      |
|          | 23. Fexpro  | 74. PVH  |
|          | 24. Florett Textil GmbH & Co KG                   | <b>R</b> 75. Retail Holdings Pty Limited         |
|          | 25. Fruit of the Loom                             | 76. Rewe Group                                   |
| <b>G</b> | 26. G.Gueldenpfennig GmbH                         | <b>S</b> 77. s.Oliver Bernd Freier GmbH & Co. KG |
|          | 27. Gina Tricot                                   | 78. Sainsbury's                                  |
|          | 28. Golden Warp                                   | 79. Schijvens Corporate Fashion                  |
|          | 29. G-Star RAW                                    | 80. Schmidt Group GmbH                           |
| <b>H</b> | 30. Hanson Im- und Export GmbH                    | 81. Schöffel Sportbekleidung GmbH                |
|          | 31. Heinrich Obermeyer GmbH & Co. KG (Blue Seven) | 82. Stadium AB                                   |
|          | 32. Hema  | 83. Suprema Strick- und Wirkwarenfabrik          |
|          | 33. Hennes & Mauritz AB (H&M)                     | <b>T</b> 84. Target-Australia                    |
|          | 34. Holland House Fashion                         | 85. Tchibo GmbH                                  |
|          | 35. Hummel A/S                                    | 86. TED Baker                                    |
|          | 36. Hunkemöller B.V                               | 87. The Sting B.V.                               |
| <b>I</b> | 37. ICA Sweden AB                                 | 88. Tobacco Road Tees, LLC dba TRTClassics       |
|          | 38. ID Rexholm S/A                                | 89. T-Shirt International                        |
|          | 39. INDITEX                                       | <b>U</b> 90. Uscape Apparel                      |
|          | 40. INTERSPORT AB                                 | <b>V</b> 91. Van der Erve                        |
|          | 41. Inter-Sun AS                                  | 92. Varner Group                                 |
|          | 42. ISA Traesko                                   | 93. Vestio Textilling                            |
| <b>J</b> | 43. JBC   | 94. Voice Norge                                  |
|          | 44. John Lewis                                    | <b>W</b> 95. WE EUROPE BV                        |
|          | 45. Juritex Import-Export GmbH                    | 96. Wibra Supermarkt B.V.                        |
| <b>K</b> | 46. KappAhl                                       | 97. Wilh. Wülfing GmbH & Co. KG                  |
|          | 47. KiK Textilien                                 | 98. Workwear Group                               |
|          | 48. Kmart Australia                               | 99. Wuensche Group                               |
|          | 49. KMD BRANDS                                    | <b>Y</b> 100. Y'Organic BV                       |
|          | 50. Kupa Group                                    | <b>Z</b> 101. Zeeman textielSupers B.V.          |
| <b>L</b> | 51. L2 Brands                                     |  |

### Bangladesh

- |          |   |  |
|----------|---|--|
| <b>A</b> | 1. Active Brands                                  | 55. New Frontier GmbH                            |
|          | 2. AEO Inc. (American Eagle and Aerie)            | 56. New Wave Group AB                            |
|          | 3. Aldi North                                     | <b>O</b> 57. OLYMP Bezner KG                     |
|          | 4. Aldi South                                     | 58. O'Neill Europe B.V                           |
|          | 5. America Today                                  | 59. Otto Group                                   |
|          | 6. Aplareds Konfektion AB                         | 60. OVS S.p.A.                                   |
|          | 7. Artsana S.p.A.                                 | <b>P</b> 61. Polarn O. Pyret AB                  |
|          | 8. Asos   | 62. Prénatal Moeder & Kind B.V                   |
| <b>B</b> | 9. Benetton Group SRL                             | 63. Primark (ABF)                                |
|          | 10. BESTSELLER                                    | 64. Princess Gruppen AS                          |
| <b>C</b> | 11. Carrefour                                     | 65. Puma SE                                      |
|          | 12. Crony Group                                   | 66. PVH  |
| <b>E</b> | 13. Ellos Group Sweden AB                         | <b>R</b> 67. Retail Holdings Pty Limited         |
|          | 14. Equip Outdoor Technologies (UK) Ltd           | 68. Rewe Group                                   |
|          | 15. Ernsting's family GmbH & Co. KG               | <b>S</b> 69. s.Oliver Bernd Freier GmbH & Co. KG |
|          | 16. Euro Shoe Group (Bristol)                     | 70. Sainsbury's                                  |
| <b>F</b> | 17. Face to Face                                  | 71. Schmidt Group GmbH                           |
|          | 18. Fexpro  | 72. Schöffel Sportbekleidung GmbH                |
|          | 19. Florett Textil GmbH & Co KG                   | 73. Stadium AB                                   |
|          | 20. Fruit of the Loom                             | 74. Suprema Strick- und Wirkwarenfabrik          |
| <b>G</b> | 21. G.Gueldenpfennig GmbH                         | <b>T</b> 75. Target-Australia                    |
|          | 22. Gina Tricot                                   | 76. Tchibo GmbH                                  |
|          | 23. G-Star RAW                                    | 77. TED Baker                                    |
| <b>H</b> | 24. Hanson Im- und Export GmbH                    | 78. Ten Cate                                     |
|          | 25. Heinrich Obermeyer GmbH & Co. KG (Blue Seven) | 79. The Sting B.V.                               |
|          | 26. Hema  | <b>U</b> 80. Uscape Apparel                      |
|          | 27. Hennes & Mauritz AB (H&M)                     | <b>V</b> 81. Van der Erve                        |
|          | 28. Holland House Fashion                         | 82. Varner Group                                 |
|          | 29. Hummel A/S                                    | 83. Voice Norge                                  |
|          | 30. Hunkemöller B.V                               | <b>W</b> 84. WE EUROPE BV                        |
| <b>I</b> | 31. ICA Sweden AB                                 | 85. Wibra Supermarkt B.V.                        |
|          | 32. ID Rexholm S/A                                | 86. Workwear Group                               |
|          | 33. INDITEX                                       | 87. Wuensche Group                               |
|          | 34. INTERSPORT AB                                 | <b>Y</b> 88. Y'Organic BV                        |
|          | 35. Inter-Sun AS                                  | <b>Z</b> 89. Zeeman textielSupers B.V.           |
| <b>J</b> | 36. JBC   |  |
|          | 37. John Lewis                                    |  |
|          | 38. Juritex Import-Export GmbH                    |  |
| <b>K</b> | 39. KappAhl                                       |  |
|          | 40. KiK Textilien                                 |  |
|          | 41. Kmart Australia                               |  |
|          | 42. KMD BRANDS                                    |  |
|          | 43. Kupa Group                                    |  |
| <b>L</b> | 44. L2 Brands                                     |  |
|          | 45. Lidl (Gesellschaft und Umwelt International)  |  |
|          | 46. Lindex  |  |
|          | 47. Lowland Fashion International                 |  |
| <b>M</b> | 48. Mango   |  |
|          | 49. Marks and Spencer                             |  |
|          | 50. MONOPRIX                                      |  |
|          | 51. Montane Ltd                                   |  |
|          | 52. MS Mode                                       |  |
| <b>N</b> | 53. N Brown Group                                 |  |
|          | 54. NA-KD (Nakdcom One World AB)                  |  |

## Pakistan

1. 47 Brand
- A** 2. Adidas Group
3. AEO Inc. (American Eagle and Aerie)
4. ALDI North
5. ALDI South
6. All We Wear Group
7. America Today
8. ASOS
- B** 9. BESTSELLER
10. BIG W
11. Boohoo group PLC
12. Breiding Vertriebsgesellschaft mbH
13. Bubbleroom
- C** 14. C&A
15. Carrefour
16. CI Sport
17. Colosseum
- D** 18. DELTEX Handelsgesellschaft mbH
19. Dyckhoff
- E** 20. El Corte Inglés
21. Ellos Group Sweden AB
22. Ernsting's family GmbH & Co. KG
23. Euro Shoe Group (Bristol)
- F** 24. Face to Face
25. Fast Retailing Co. Ltd.
26. Florett Textil GmbH & Co KG
- G** 27. Gap Inc.
28. Golden Warp
29. GS Global Sourcing Limited
30. G-Star RAW
- H** 31. Hanson Im- und Export GmbH
32. Heinrich Obermeyer GmbH & Co. KG (Blue Seven)
33. HEMA
34. Hennes & Mauritz AB (H&M)
35. HUGO BOSS AG
36. Hummel A/S
- I** 37. ICA Sweden AB
38. INDITEX
39. ISA Traesko
- J** 40. John Lewis
41. Just Brands
- K** 42. KappAhl
43. KID ASA
44. KIK Textilien
45. Kmart Australia
46. KUPA Group
- L** 47. L2 Brands
48. LC Waikiki
49. Lidl (Gesellschaft und Umwelt International)
50. LPP S.A
- M** 51. Magna Collection
52. MANGO
53. Marks and Spencer
54. Matalan
55. MONOPRIX
56. MPL Home
- N** 57. NA-KD (Nakdcom One World AB)
58. New Look Retailers Ltd
59. NEXT
60. Nutmeg (Wm Morrison Supermarkets plc)
- O** 61. Otto Group
62. OVS S.p.A.
- P** 63. Prénatal Moeder & Kind B.V
64. Primark (ABF)
65. PUMA
66. PVH
- R** 67. Retail Holdings Pty Limited
68. Rewe Group
- S** 69. s.Oliver Bernd Freier GmbH & Co. KG
70. Sainsbury's
71. Schijvens Corporate Fashion
72. Schmidt Group GmbH
73. SOLO INVEST SAS
74. Stockmann Group/Lindex/MQ
- T** 75. Tchibo GmbH
76. Tesco
77. The Sting B.V.
78. The Very Group
79. Tobacco Road Tees, LLC dba TRT Classics
80. T-Shirt International
- U** 81. UHLSPORT GmbH
82. Uscap Apparel
- V** 83. Vantage Apparel
84. Varner Group
85. Vestio Textilling
86. Voice Norge
- W** 87. WE EUROPE BV
88. Wibra Supermarkt B.V.
89. Wilh. Wülfing GmbH & Co. KG
90. Wuensche Group
- Y** 91. Y'Organic BV
- Z** 92. Zalando
93. Zeeman textielSupers B.V.

## Union Signatories

IndustriALL Global Union  
UNI Global Union

## Witness Signatories

Clean Clothes Campaign  
Global Labour Justice - International Labour Rights Forum  
Maquila Solidarity Network  
Worker Rights Consortium

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**ACCORD**  
for Health and Safety in the Textile and Garment Industry

December 2024



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FOR HEALTH AND SAFETY IN THE TEXTILE  
AND GARMENT INDUSTRY**