INTERNATIONAL ACCORD
QUARTERLY AGGREGATE REPORT

#1 2024

DATA AS OF 1 MARCH 2024

INTRODUCTION

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

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

The transparency and reporting commitments of Accord signatories are outlined in Article 29 of the International Accord for Health and Safety in the Textile and Garment Industry (International Accord) and include a provision to publish QARs that summarise both aggregated data on the status of the inspections and a detailed review of findings, remedial recommendations, and progress on remediation and safety training for all covered factories. In November 2023, the International Accord was renewed for an extended three-year term, with an automatic renewal of another three years, making it the longest Accord commitment to date.

The renewed International Accord, effective since 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 being implemented.

The reporting cycle for the QARs is April to June, July to September, October to December, and January to March. In June 2022, we revised the reporting format to simplify data presentation and make the QARs more reader friendly. For any questions on the comparison in reporting before and after June 2022, please contact the International Accord Secretariat: contact@internationalaccord.org.

This QAR comprises two parts:

PART 1 provides aggregate data on the progress under the **Bangladesh Safety Agreement** at factories supplying Accord signatories in Bangladesh.

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

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

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

International ACCORD

PART 1

Key Developments under the Bangladesh Safety Agreement

SUMMARY

Part 1 of the QAR provides an overview of safety programs implemented by the RMG Sustainability Council (RSC) at Accord covered factories under the Bangladesh Safety Agreement. The agreement took effect on 1 November 2023 and aims to ensure worker health and safety within Bangladesh's textile and garment industry.

Signatories to the Bangladesh Safety Agreement are committed to the principles of the 2023 and 2021 International Accords as well as those stipulated within the 2013 and 2018 Accords on Fire and Building Safety in Bangladesh.

Since 2020, the RSC has implemented the following programs on behalf of the Accord at all factories supplying signatory companies:

- Fire, electrical, structural and boiler safety inspections
- Follow-up inspections to monitor remediation and identify new issues
- Safety Committee trainings
- All Employee Meetings
- Occupational Safety and Health Complaints Mechanism

Signatory Base

155 global brands and retailers have signed the Bangladesh Safety Agreement as of 1 March 2024.

	NUMBER OF SIGNATORIES
1 DECEMBER 2023	31
1 JANUARY 2024	63
1 FEBRUARY 2024	38
1 MARCH 2024	23
TOTAL	155

Factory Base

The Bangladesh Safety Agreement covers all Cut-Make-Trim (CMT) facilities, including Ready-Made Garments (RMG) and, on a voluntary basis, home textiles, fabrics, and knit accessories, suppliers that produce for Accord signatory companies in Bangladesh.

1. INSPECTIONS & REMEDIATION PROGRESS

FIGURE 1.1 INITIAL INSPECTIONS AT COVERED FACTORIES

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

COVERED FACTORIES	1 SEP 2023	1 DEC 2023	1 MAR 2024
Factories with initial inspections completed	1,512	1,592	1,698
Factories to be scheduled for initial inspections	169	109	24
TOTAL COVERED FACTORIES	**1,681**	**1,701**	**1,722**
FACTORIES NO LONGER COVERED			
Closed	252	268	291
Relocated	180	180	180
Ineligible for business with Accord signatories[2]	234	238	238
No longer supplying for Accord brands (but still covered by the RSC)	198	91	90
Out of Accord scope[3] , no longer supplying Accord brands and not covered by the RSC	133	253	230
TOTAL FACTORIES INSPECTED BUT NO LONGER COVERED	**997**	**1,031**	**1,029**
TOTAL FACTORIES INSPECTED OR SCHEDULED FOR INITIAL INSPECTIONS SINCE 2013	**2,674**	**2,732**	**2,751**

KEY POINTS

- The number of factories supplying Accord signatory companies increased by 21 this quarter, reaching 1,722 by 1 March 2024.
- The RSC conducts initial inspections at newly listed factories. 24 factories were awaiting an initial inspection as of 1 March 2024.
- 23 factories ceased operations in this quarter. The RSC has verified that these facilities are no longer producing for Accord signatories and will therefore not be monitored anymore.
- One factory was made ineligible to supply Accord signatories in this quarter. A factory is made ineligible if it fails to fully participate in the health and safety programs and/or other non-compliance related issues.
- Since 2013, 2,727 factories have received initial inspections on fire, electrical, structural and boiler safety by Accord/RSC engineers.
- The decrease in factories that no longer supply Accord brands but are still RSC covered is explained by the factories dropping out of the RSC program.
- Since the start of the Accord in 2013, a total of 1,029 factories have been inspected but are no longer covered by the Accord due to various reasons. These reasons include closure, relocation, ineligibility to supply company signatories due to non-participation in Accord programs, or the product type falling outside the scope of the Accord.

1. Boiler safety inspections are not included in the initial inspections because they were introduced later in the program. Please refer to Figure 1.4 on boiler safety inspection to learn more.
2. Excluding factories with no Initial Inspection.
3. Factories with production processes not covered by the Accord (non CMT, or CMT integrated facilities).

FIGURE 1.2 FOLLOW-UP INSPECTIONS AT COVERED FACTORIES TO DATE

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

	1 SEP 2023	1 DEC 2023	1 MAR 2024
Fire	11,726	11,755	11,875
Electrical	12,147	12,450	13,186
Structural	6,947	7,037	7,260
TOTAL	**30,820**	**31,242**	**32,321**

KEY POINTS

- RSC engineers had conducted **11,875 follow-up fire safety inspections, 13,186 electrical safety inspections**, and **7,260 structural safety inspections** in Accord covered factories as of 1 March 2024.

FIGURE 1.3 TARGETED FIRE SAFETY INSPECTIONS AT COVERED FACTORIES TO DATE

In addition to regular fire follow-up inspections, RSC engineers conduct targeted inspections to check the correct installation of fire alarm and fire suppression systems.

	1 JUN 2023	1 SEP 2023	1 DEC 2023	1 MAR 2024
Visit to prepare for testing & commissioning verification inspections	1,273	1,355	1,407	1,490
Initial testing & commissioning verification inspections	983	1,016	1,067	1,137
Final testing & commissioning verification inspections	265	299	321	368
Fire pump inspections (to assess remediation of negative suction issues)	241	240	237	235
TOTAL	**2,762**	**2,910**	**3,032**	**3,230**

KEY POINTS

- RSC engineers had conducted 3,230 targeted fire system inspections and visits in Accord covered factories as of 1 March 2024 to assess the installation status of fire alarm and fire suppression systems.

FIGURE 1.4 BOILER SAFETY INSPECTIONS

The Accord introduced boiler safety as an additional scope for inspections and remediation in 2018. The RSC's boiler safety team conducts inspections in three stages: first, a preliminary visual inspection; second, a hydrostatic pressure test and an internal inspection and third, an external inspection including a functional test.

	1 JUN 2023	1 SEP 2023	1 DEC 2023	1 MAR 2024
Full-fledged Inspections (Visual + Internal & Hydrotest + Functional) (Completed factories)	-	21	42	31
Full-fledged Inspections (Visual + Internal & Hydrotest + Functional) (Completed boilers)		28	45	89
Full-fledged Inspections (Inspection days)	68	67	120	178

KEY POINTS

- RSC engineers conducted full-fledged boiler safety inspections in 31 factories between 1 December 2023 and 1 March 2024.
- As of 1 March 2024, the RSC has conducted full-fledged boiler inspections in 94 factories.

FIGURE 1.5 INSPECTIONS IN RESPONSE TO SAFETY COMPLAINTS AND INCIDENTS

RSC engineers conduct factory inspections in response to complaints raised about fire, structural, electrical or boiler safety. These inspections assess the complaint and, where necessary, include advise on remediation and preventive measures. If a safety incident at a factory is reported through a different channel[4], the RSC engineers conduct a post-incident inspection to assess the cause of the incident and advise on necessary remediation and preventive measures.

	1 JUN 2023	1 SEP 2023	1 DEC 2023	1 MAR 2024
Inspections in response to safety complaints	147	162	168	166
Inspections in response to a reported safety incident	113	118	127	136
TOTAL	**260**	**280**	**295**	**302**

KEY POINTS

- As of 1 March 2024, the RSC fire engineers conducted 166 inspections in response to safety complaints and 136 post-incident inspections at Accord covered factories.
- The slight decrease in inspection numbers in March 2024, in response to safety complaints, is due to factories being released. Additionally, the numbers represent a cumulative sum rather than a monthly progression.

FIGURE 1.6 FACTORIES REQUIRING TEMPORARY EVACUATIONS

When RSC engineers identify hazards posing critical safety concerns during inspections, they implement the RSC's Critical Findings Protocol. Depending on the situation, applying this protocol may lead to a temporary evacuation at the factory. ***Article 11 under the 2023 Bangladesh Safety Agreement requires signatory companies and their suppliers to ensure worker wages during any factory closure necessary for remediation.***

	1 JUN 2023	1 SEP 2023	1 DEC 2023	1 MAR 2024
Temporary factory evacuations	87	88	88	89

KEY POINTS

- Since 2013, 89 factories have been temporarily evacuated due to critical safety findings.
- **The main causes for temporary evacuations include cracks in columns and walls and findings identified during post-fire incident inspections.**
- Between 2 December 2023 to 1 March 2024, one factory was called upon to temporarily evacuate due to critical safety concerns.

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

2. REMEDIATION

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

1 JUN 2023	1 SEP 2023	1 DEC 2023	1 MAR 2024
92%	92%	91%	88%

KEY POINTS

- The aggregate remediation rate dropped by 3% in this quarter. This decline is likely due to several factors, including the removal of factories listed during the initial years of the Accord program. As these factories are no longer covered, their corresponding safety findings are excluded from the remediation categories (in progress, pending verification, and corrected).
- Excluding safety findings from each scope has led to variations in the corresponding corrected progress rates. The corrected progress rate for structural issues has decreased, the rate for electrical safety has increased, and the rate for fire safety has remained unchanged.
- Due to the renewal of the International Accord in the last quarter of 2023, there is an increase in the number of delisted factories.
- As of 1 March 2024, 1,197 factories have a remediation rate above 90%. factories.

FIGURE 2.2 CAP & REMEDIATION STATUS VS. YEAR OF INITIAL INSPECTION

Year of initial inspection	Total factories with the initial inspection conducted that year	CAP behind schedule[5]	CAP on track[6]	Initial CAP completed[7]	CAP not implemented[8]	CAP not finalised/ no CAP[9]	CAP N/A	Initial Progress Rate
2013	83	31	1	43	8	0	0	99%
2014	806	292	25	344	144	0	1	98%
2015	191	65	8	73	45	0	0	98%
2016	77	30	1	33	13	0	0	98%
2017	99	50	7	31	11	0	0	96%
2018	86	56	5	17	8	0	0	94%
2019	79	56	5	14	4	0	0	92%
2020	38	35	2	1	0	0	0	88%
2021	116	101	8	4	3	0	0	77%
2022	82	77	3	0	2	0	0	65%
2023	192	155	1	0	0	36	0	41%
2024	87	1	0	0	0	86	0	32%
No first inspection date	26	0	0	0	2	24	0	–
TOTAL	**1,962**	**949**	**66**	**560**	**240**	**147**	**1**	**89%**

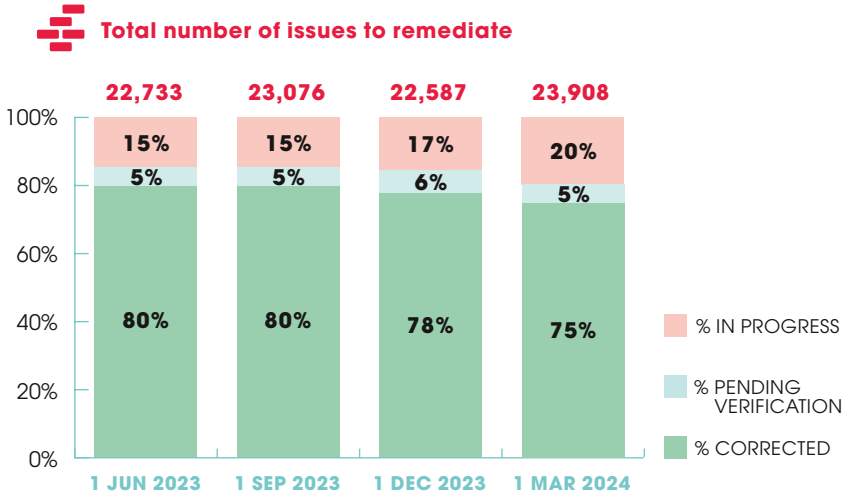
KEY POINTS

- 949 of all covered factories have a CAP behind schedule designation due to not remediating items within the timelines identified in their CAPs.
- Around 29% (560) of all covered factories have completed the remediation required after their initial inspection.
- Approximately 41% (806) of all covered factories had their initial inspection in 2014. Of these, less than half have completed their initial remediation, 18% became ineligible due to non-compliance with Accord requirements, and more than half are still working on the remediation measures.
- 87 factories were inspected from the 1 January to 29 February 2024. 86 of these factories are yet to finalise their CAPs.

5. The CAP is in implementation, but one or more timelines have not been met.
6. The CAP is in implementation and all timelines have so far been met.
7. All issues identified in the initial inspections have been verified as corrected.
8. The factory does not agree to implement the CAP and as a result the supplier is ineligible for business with Accord signatory companies (see Section 8. Non-compliant suppliers).
9. The CAP is either incomplete or not yet approved.

FIGURE 2.3 STRUCTURAL REMEDIATION STATUS

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



KEY POINTS

- Compared to fire and electrical remediation, a relatively higher percentage of structural issues are *in progress* instead of being *corrected*. This can partially be attributed to the slow pace of finalising DEAs.
- The most common types of structural findings at inspected factories include the lack of load management plans, inconsistencies between building plans/drawings and actual infrastructure of the building, and the lack of implementing existing load management plans.
- The overall structural remediation rate decreased this quarter because, during follow-up inspections, certain items previously marked as *Pending Verification* were found to be below standard and were reclassified as *In Progress*.

FIGURE 2.4 STATUS OF MOST COMMON STRUCTURAL FINDINGS

FINDING	No. of covered factories where the finding was identified			No. of covered factories where the finding is still outstanding		
	SEP 2023	DEC 2023	MAR 2024	SEP 2023	DEC 2023	MAR 2024
Lack of load management plan	872	860	849	52 (6%)	48 (6%)	47 (6%)
Inconsistency between building plan and drawings	1,011	1,002	991	130 (13%)	132 (13%)	119 (12%)
Incorrect implementation of existing load management plan	830	817	811	63 (8%)	54 (7%)	52 (6%)
Lack of design check against lateral load	724	722	713	118 (18%)	119 (16%)	106 (15%)

KEY POINTS

- The structural safety issues above were found at over half of the inspected factories. A majority of factories have addressed these issues and between 6%-15% of factories are yet to remediate the findings adequately.
- The decrease in the number of factories from December 2023 to March 2024 with these structural safety findings is caused by some factories no longer being covered by the Accord.
- 12% of the 991 factories with inconsistent building plans and drawings are yet to remediate structural CAP findings concerned.

FIGURE 2.5 STATUS OF DETAILED ENGINEERING ASSESSMENTS 'DEA'

Factories requiring a Detailed Engineering Assessment (DEA) have to commission a qualified engineering firm to conduct an inspection and submit the documentation for the RSC to accept and verify during an on-site inspection. The DEA status may revert to outstanding if the building's structure is modified after the initial acceptance.

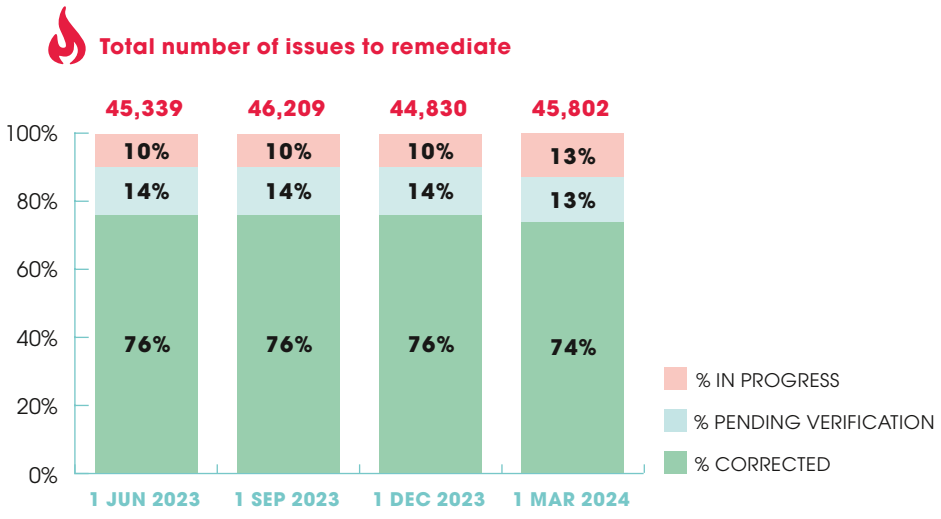
	JUN 2023	SEP 2023	DEC 2023	MAR 2024
Factories required to conduct a (D)EA	1,457	1,450	1,511	1,595
(D)EA accepted and verified	1,026	1,042	1,000	961
Factories with (D)EA outstanding	431	408	511	634

KEY POINTS

- Around three quarters of covered factories (1,595 of 1,722) were required to conduct a DEA to check the structural integrity of their buildings.
- As of March 2024, 961 factories have an accepted and verified DEA, a decrease from the previous quarter due to several factories needing to revise their DEA to account for building changes and others being released by brands.
- 40% of factories requiring a DEA are yet to complete the process.
- The number of factories required to submit their DEA documents and final DEAs in this quarter has increased due to an error in the calculation methodology. Consequently, the information in previous QARs will be retrospectively updated to ensure alignment with this change.

FIGURE 2.6 FIRE REMEDIATION PROGRESS

Fire remediation involves establishing and maintaining adequate exit routes, installing certified fire doors, constructing fire-proof separations, and installing, testing, and commissioning fire alarm and fire suppression systems.



KEY POINTS

- Compared to structural and electrical safety issues, a higher percentage of fire safety issues are pending verification. This means that the RSC is yet to verify if the factories have addressed and corrected the safety issues properly.
- The overall progress rate on fire safety has declined from 76% to 74% in this quarter, mirroring the trend in structural progress. This decrease is attributed to the slow pace of remediation for certain fire safety items and the exclusion of some factories from the Accord/RSC coverage. As a result, older items that have been resolved are no longer reflected in the progress rate.

FIGURE 2.7 STATUS OF MOST COMMON FIRE FINDINGS

FINDING	No. of covered factories where the finding was identified			No. of covered factories where the finding is still outstanding		
	SEP 2023	DEC 2023	MAR 2024	SEP 2023	DEC 2023	MAR 2024
Lockable/collapsible gates	1,116	1,087	1,077	5 (0,4%)	8 (0,6%)	6 (0,6%)
Inadequate egress lighting	1,260	1,228	1,217	57 (5%)	42 (3%)	47 (4%)
Lack of fire separation in hazardous areas	1,119	1,093	1,080	77 (7%)	73 (7%)	76 (7%)
Non-compliant exit stair openings	1,297	1,270	1,256	207 (16%)	185 (15%)	180 (14%)
Storage in means of egress	1,128	1,112	1,098	25 (2%)	22 (2%)	13 (1%)

KEY POINTS

- The common fire hazards in factories that require remediation include lockable/collapsible gates, inadequate egress lighting, lack of fire separation in hazardous areas, non-compliant exit stair openings, lack of functional certified fire alarm detection and suppression systems and storage obstructing means of safe egress. These hazards significantly hinder the ability of factory occupants, including workers, to safely evacuate in case of a fire accident.
- The fire safety issues above were found at approximately 64% of the covered factories.
- The decrease in the number of factories from December 2023 to March 2024 where the finding was identified can be explained by factories being released by brands.
- There has been an increase in the number of factories with outstanding safety issues related to removing lockable/collapsible gates.
- Most factories have resolved issues of storage blocking exit routes with only six factories still needing to comply.
- There is stagnancy in addressing the issue of non-compliant exit stair openings, which often means the emergency exit route does not lead to a safe space outside the building in case of an accident. 14% of factories are yet to remediate this adequately, meaning that workers at these factories lack access to safe emergency exits.

FIGURE 2.8 SAFE EGRESS STATUS AT COVERED FACTORIES

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

STATUS SAFE EGRESS	1 JUN 2023	1 SEP 2023	1 DEC 2023	1 MAR 2024
All safe egress measures verified as corrected	675	854	1,009	1,007
At least one finding related to safe egress pending verification and no finding still in progress	359	247	217	226
At least one finding related to safe egress outstanding	154	90	132	162

KEY POINTS

- 72% (1,007) of Accord covered factories have implemented all measures identified in the initial inspection to ensure safe egress; these measures have in turn been verified by RSC engineers. More than half of the factories have successfully completed the required safe egress safety measures and have passed verification, indicating fire safety readiness.
- 16% (226) of the factories have implemented safe egress measures pending RSC verification. These factories have taken steps to guarantee safe egress but require RSC verification and additional measures to ensure full compliance.
- The remaining 12% (162) of factories have not yet completed the necessary remediation to ensure safe egress and have at least one finding on safe egress that is still *in progress*, impacting the overall ability of workers at these factories to safely exit in case of fire or other emergencies.

FIGURE 2.9 FIRE SYSTEMS STATUS

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

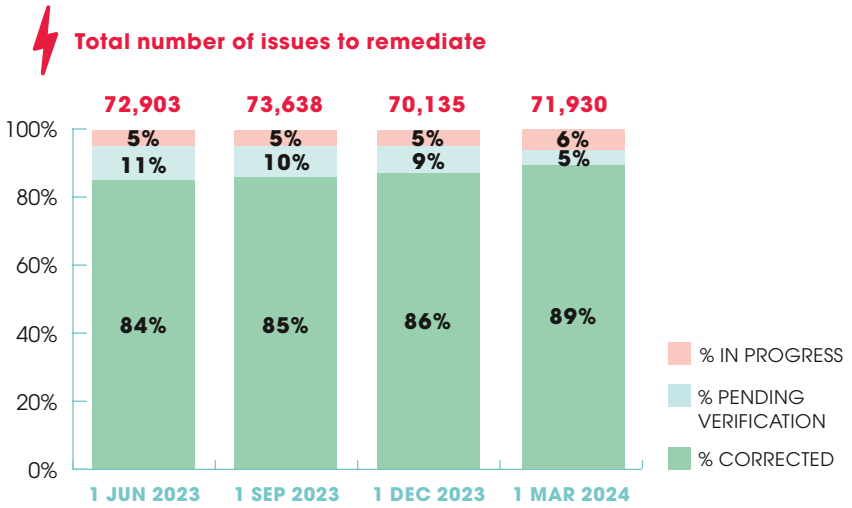
FINDING	Fire Alarm and Detection system (FADS)			Fire Suppression system (SUPS)		
	SEP 2023	DEC 2023	MAR 2024	SEP 2023	DEC 2023	MAR 2024
Factories where FADS/SUPS is required	1,485	1,526	1,591	1,206	1,228	1,270
Fire system verified as installed to standard and fully functional	458	478	508	310	319	340
Fire system installation or verification outstanding	1,027	1,048	1,083	896	909	930

KEY POINTS

- 32% (508) of factories that need to install a fire alarm and detection system (FADS) have completed the installation, and have had this verified by the RSC.
- 27% (340) of factories which need to install a fire suppression system (SUPS) have completed installation and have had it verified by the RSC.
- Most factories are still in the process of installing these systems or have not started, indicating a significant gap in compliance with fire safety measures, thus posing serious fire safety risks to worker safety.

FIGURE 2.10 ELECTRICAL REMEDIATION STATUS

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



KEY POINTS

- Electrical remediation at factories has progressed further than fire and structural remediation, with 89% of the issues being corrected.
- This may be attributed to electrical issues being relatively easier to resolve and requiring lower investment costs.
- The electrical items frequently requiring remediation include insufficient cable support and protection, absence of a Lightning Protection system (LPS), lack of a Single Line Diagram (SLD), inadequate circuit breakers, hazardous accumulation of dust and lint on electrical equipment, and unsafe earthing equipment.

FIGURE 2.11 STATUS OF MOST COMMON ELECTRICAL FINDINGS

FINDING	No. of covered factories where the finding was identified			No. of covered factories where the finding is still outstanding		
	SEP 2023	DEC 2023	MAR 2024	SEP 2023	DEC 2023	MAR 2024
Lack of cable support and protection	708	1,409	1,395	4 (1%)	164 (12%)	156 (11%)
Lack of Lightning Protection system (LPS)	680	1,411	1,396	12 (2%)	154 (11%)	160 (11%)
No Single Line Diagram (SLD)	671	1,443	1,428	78 (12%)	507 (35%)	566 (40%)
Inadequate circuit breakers	610	1,244	1,229	12 (3%)	188 (15%)	191 (16%)
Hazardous accumulation of dust and lint on electrical equipment	611	1,200	1,185	0 (0%)	54 (5%)	40 (3%)
Unsafe earthing equipment	554	1,129	1,117	0 (0%)	37 (3%)	34 (3%)

KEY POINTS

- The electrical safety findings above were identified at around 75% of the covered factories.
- In the past quarter, there has been a decrease in factories with outstanding issues pertaining to the lack of cable support and protection. Overall, the most progress has been made in providing cable supports and protection, removing dust and lint, and ensuring the safe earthing of equipment.
- There has been relatively less progress with creating Single Line Diagrams (SLDs) with 40% of factories yet to remediate this adequately.

FINANCING REMEDIATION

Article 31 of the International Accord and Article 22 of the Bangladesh Safety Agreement require signatory companies to negotiate commercial terms with their suppliers ensuring that it is financially feasible for factories to maintain safe workplaces and comply with upgrade and remediation requirements instituted by the Chief Safety Officer (CSO). Each signatory company may, at its option, use alternative means to ensure factories have the financial capacity to comply with remediation requirements, including but not limited to joint investments, providing loans, accessing donor or government support, through offering business incentives (like guaranteed orders, advance payments, reducing payment terms or higher volumes), or through paying for renovations directly.

FIGURE 2.12 STATUS OF FINANCE REQUESTS[10]

Factories may raise a request for financial support directly with their responsible signatory companies or via the International Accord Secretariat. In such cases the status of the finance request is reported here.

		JUN 2023	SEP 2023	DEC 2023	MAR 2024
FINANCE REQUESTS	Pending (including Hold)	8	9	4[11]	4
	Resolved	77	78	79	79
	Currently referred to the Steering Committee	1	1	NA[12]	NA[13]
	Dismissed	61	61	63	63
	No longer applicable (factories closed, ineligible or relocated)	44	44	44	44
TOTAL		**191**	**193**	**190**	**190**

KEY POINTS

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

FIGURE 2.13 STATUS OF FACTORY REMEDIATION FUND

	1 JUNE 2023	1 SEP 2023	1 DEC 2023	1 MAR 2024
Total funding committed	$1,405,796	$1,405,796	$1,405,796	$1,405,796
Total funding disbursed	$1,157,224	$1,157,224	$1,157,224	$1,164,019.56
% of funding disbursed	82%	82%	82%	83%

KEY POINTS

- In total, US$1,4 million has been committed to pay for the remediation of specific items at factories with the Factory Remediation Fund.
- To date, 83% of the committed funding has been disbursed. Three factories are still receiving the disbursement in installments, and nine factories will not receive their remaining funds as they breached the terms of the Fund agreements.

10. All statuses.
11. No pending status, on hold due to the renewal of the 2023 International Accord and Bangladesh Safety Agreement. Awaiting for brands to re-sign the renewed agreements.
12. No cases currently referred to the SC due to the renewal of the 2023 International Accord and Bangladesh Safety Agreement. There were three cases referred to the SC in October 2023.
13. No cases currently referred to the SC due to the renewal of the 2023 International Accord and Bangladesh Safety Agreement.

FIGURE 2.14 STATUS OF FUND AGREEMENTS

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

- *Fire safety measures such as the installation of Fire Suppression Systems (water tanks, standpipe systems, sprinklers), fire pumps, and fire alarms; and completion of Fire Separation (including installation of fire doors).*
- *Electrical safety improvements including the installation of Lightning Protection Systems, adequate cabling and Earthing Systems, and development and utilisation of Single Line Diagrams.*
- *Structural safety enhancements, encompassing the completion of structural remediation, including the strengthening of columns, beams, foundations and slabs.*

	JUN 2023	SEP 2023	DEC 2023	MAR 2024
Factories granted remediation support through the Fund	21	21	21	21
100% fulfilment of agreement	9	9	9	10
Agreement on-going	3	3	3	2
Agreement terminated	9	9	9	9

KEY POINTS

- Of the 21 factories granted funding, ten have completed the remediation works and received the full grant.
- Remediation work is still in progress at two factories, so the agreement remains ongoing.
- Nine factories did not fulfil the remediation required under the terms of their Fund agreement, leading to the termination of the agreement. The factories associated with these agreements were *No Brand* factories.

FIGURE 2.15 REMEDIATION PROGRESS OF SAFETY ISSUES COVERED BY THE FUND AGREEMENTS

Progress on the remediation items financed by the Fund agreements highlighted under Figure 2.14:

	JUN 2023	SEP 2023	DEC 2023	MAR 2024
Remediation issues covered by FRF	32	32	32	32
Remediation issues verified as corrected	27	28	28	29
Remediation issues pending verification	2	2	2	2
Remediation issues in progress	3	2	2	1

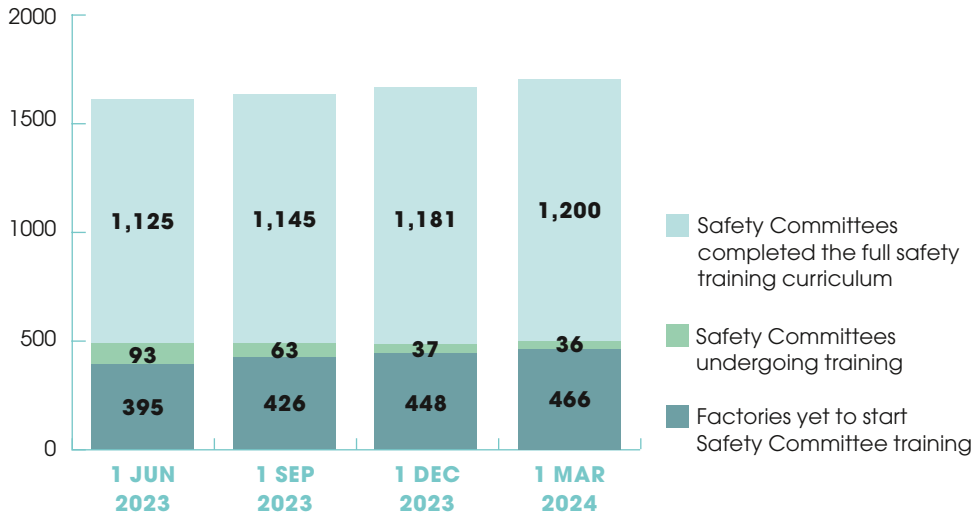
3. SAFETY COMMITTEE & SAFETY TRAINING PROGRAM

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

FIGURE 3.1 STATUS OF SAFETY COMMITTEE TRAINING PROGRAM AT COVERED FACTORIES

The Safety Committee training curriculum covers the following topics:

- *The fundamentals of a Safety Committee*
- *The role of a Safety Committee*
- *Handling health and safety complaints*
- *Hazard identification and control*
- *Communicating about safety and health to all workers*
- *Monitoring and preventing safety and health issues using accident reports and factory walk-throughs*
- *Freedom of association in relation to workplace safety.*

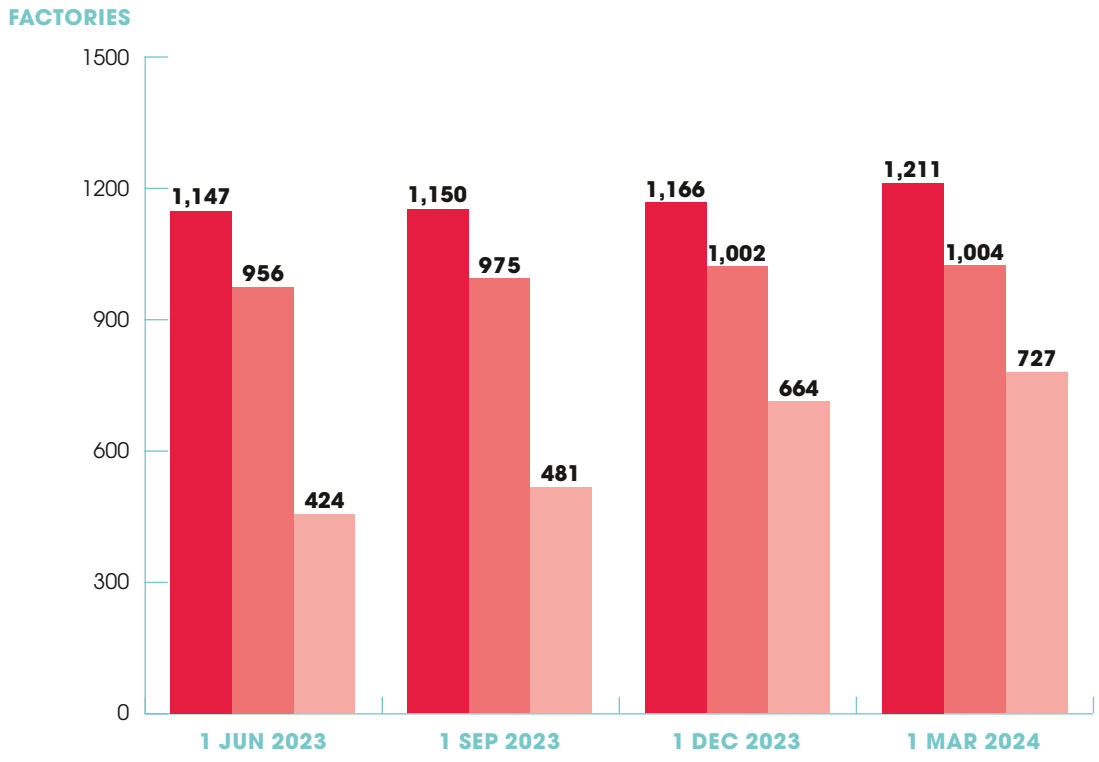


KEY POINTS

- 36 Safety Committees at Accord/RSC covered factories are undergoing the training program as of 1 March 2024.
- In the past quarter, the number of factories awaiting the start of the Safety Committee training has increased by 18, bringing the total to 466 factories that have yet to begin the program.
- 1,200 Safety Committees have completed their training, with the RSC training team available to provide ongoing support.

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

Once the Safety Committee training program begins, three AEMs are conducted at each factory to inform workers about key safety hazards and guide them on ways to actively contribute to maintaining factory safety.



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

TOTAL PARTICIPANTS: 01/03/24: **1,960,119**

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

TOTAL PARTICIPANTS: 01/03/24: **1,719,545**

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

TOTAL PARTICIPANTS: 01/03/24: **1,329,590**

KEY POINTS

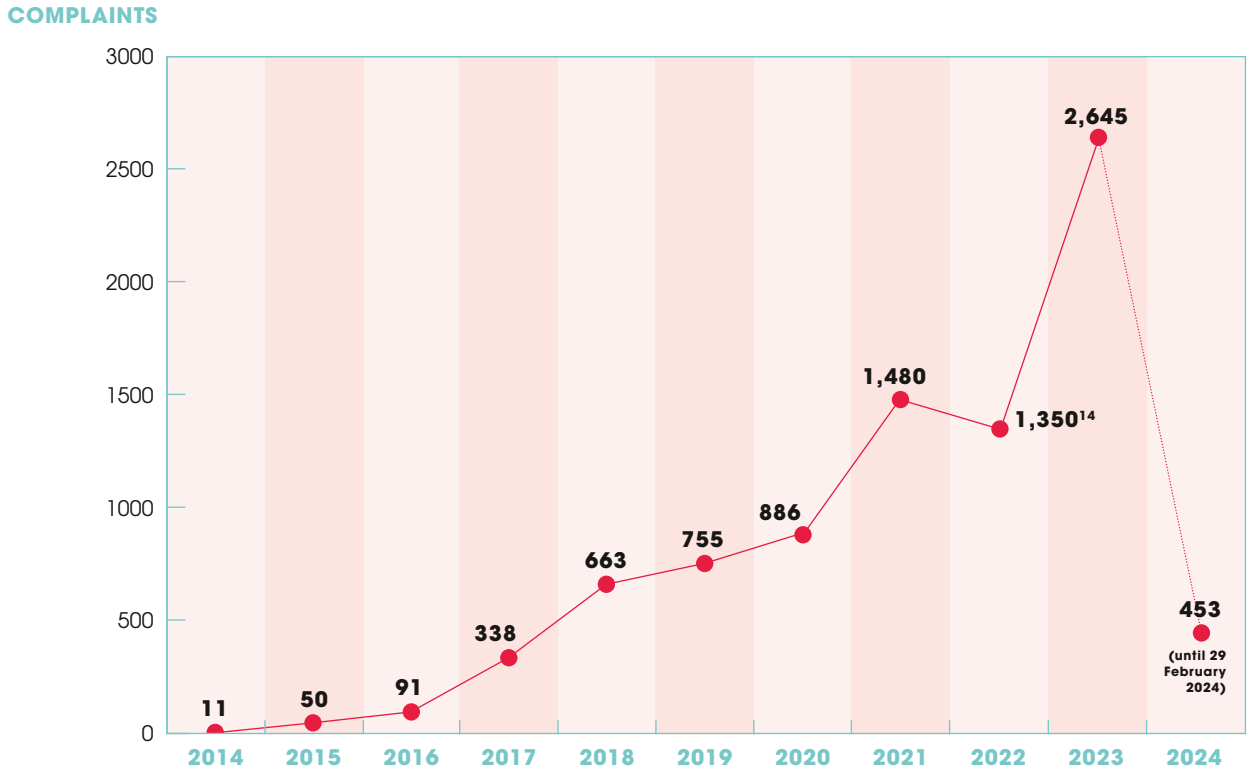
- To date, over 1.9 million workers at 1,211 Accord-covered factories have participated in at least the first AEM regarding safe evacuation and common factory safety hazards.
- Over 1.3 million participants have attended all three AEMs as of 1 March 2024.

4. COMPLAINTS MECHANISM

Accord signatories provide a Complaints Mechanism for all workers in covered factories to remedy safety and health concerns. The Accord/RSC Complaints Mechanism is available at all factories producing for Accord brands and covers complaints related to Occupational Safety and Health (OSH).

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

FIGURE 4.1 COMPLAINTS FILED WITH ACCORD SIGNATORIES' COMPLAINTS MECHANISM



KEY POINTS

- There was a total of 2,645 complaints filed in 2023 and 453 complaints filed in the first two months of 2024 with the Accord/RSC Complaints Mechanism.

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

International ACCORD

FIGURE 4.2 NATURE OF COMPLAINTS RECEIVED TO DATE

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

	1 JUN 2023	1 SEP 2023	1 DEC 2023	1 MAR 2024
Occupational Safety & Health (OSH)	2,357 (35%)	2,480 (34%)	2,591 (32%)	2,685 (31%)
Non-OSH	4,548 (67%)	5,004 (68%)	5,511 (68%)	6,037 (69%)
TOTAL COMPLAINTS (UNIQUE)	**6,786**	**7,368**	**8,102**	**8,722**

KEY POINTS

- To date, **a total of 8,722 complaints have been raised through the Accord Complaints Mechanism**.
- Out of these, **2,685 are OSH-related complaints** related to working environment related issues, unsafe drinking water, workplace violence, forced and excessive overtime, denial of maternity pay/leave rights, denial of sick leave, physical and sexual harassment.
- The **remaining 6,037 non-OSH complaints** cover issues such as unfair employment termination, non-payment of due earned wages, service benefits and non-payment of severance entitlement among others.
- The number of non-OSH complaints increased in this quarter. More than two thirds of all complaints are outside the scope of the Complaints Mechanism and are therefore not investigated. These complaints are redirected to the responsible signatory companies and authorities.

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

	1 JUN 2023	1 SEP 2023	1 DEC 2023	1 MAR 2024
Engineering (structural/fire/electrical safety)	244	251	252	255
Working environment related	2,034	2,125	2,234	2,323
Reprisal for having filed a complaint	55	58	63	65
TOTAL OSH COMPLAINTS (UNIQUE)	**2,357**	**2,480**	**2,591**	**2,685**

KEY POINTS

- **To date, a total of 2,685 OSH complaints have been raised through the Accord Complaints Mechanism.**
- **The vast majority (87%) of OSH complaints filed by workers and their representatives relate to the working environment including Covid-19 related issues, unsafe drinking water supply, excessive heat, workplace violence, forced overtime, denial of maternity pay/ leave rights, sexual harassment.**
- 10% pertain to engineering issues such as building structure, fire safety or electrical safety concerns.
- In the last quarter, there were 89 complaints concerning the working environment, three complaint related to engineering issues, and two complaints alleging retaliation to workers for having raised a complaint.

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

	1 JUN 2023	1 SEP 2023	1 DEC 2023	1 MAR 2024
Resolved	1,023	1,099	1,229	1,330

KEY POINTS

- **101 complaints on OSH issues have been resolved in this quarter.** The resolutions of these complaints include fire, electrical and structural remediation, improvements in health and safety facilities at the factory, disciplinary action, payment of termination benefits, payment of maternity leave, maternity leaves, introduction of a shift system, reinstatement in case of wrongful termination among others.

5. NON-COMPLIANT SUPPLIERS

Factories which do not adequately participate in the Accord's safety programs are given a notice and warning following the Escalation Protocol described in Article 30 of the International Accord and Article 21 of the Bangladesh Safety Agreement. The Escalation Protocol and procedures are implemented by the RSC team in coordination with the International Accord Secretariat.

The Escalation Protocol consists of three stages:

Stage 1: A notification of non-compliance.

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

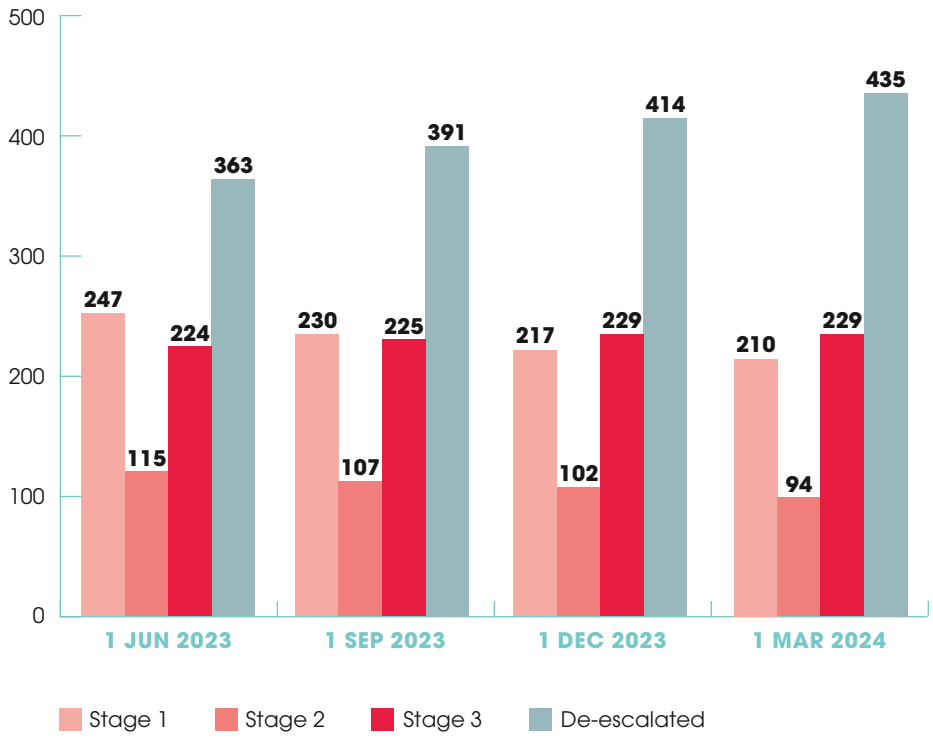
Stage 3: Termination of business relationship with signatory companies if the factory still fails to meet safety requirements within timelines set by the Chief Safety Officer.

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

- A lack of significant progress in finalising corrective action plans or completing required safety renovations.
- Refusal to resolve worker complaints on safety issues.
- Refusal to temporarily evacuate the factory in case of critical safety concerns.

Factories which resolve all non-compliances are de-escalated.

FIGURE 5.1 STATUS OF NON-COMPLIANT FACTORIES ESCALATION



KEY POINTS

- This quarter, the number of factories in Stage 2 escalation decreased by eight, bringing the total to 94.
- One factory was escalated to Stage 3 during this period. The number remained the same due to one factory being introduced back to the RSC program as an independent factory.
- The number of factories in Stage 3 remains lower than factories with the Ineligible status because not all Ineligible factories are escalated to Stage 3 (i.e., group escalation).
- A total of 21 factories were de-escalated after resolving non-compliance issues and taking steps to fully participate in the required safety programs.

International ACCORD

PART 2

Key Developments under the Pakistan Accord

SUMMARY

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

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

BACKGROUND

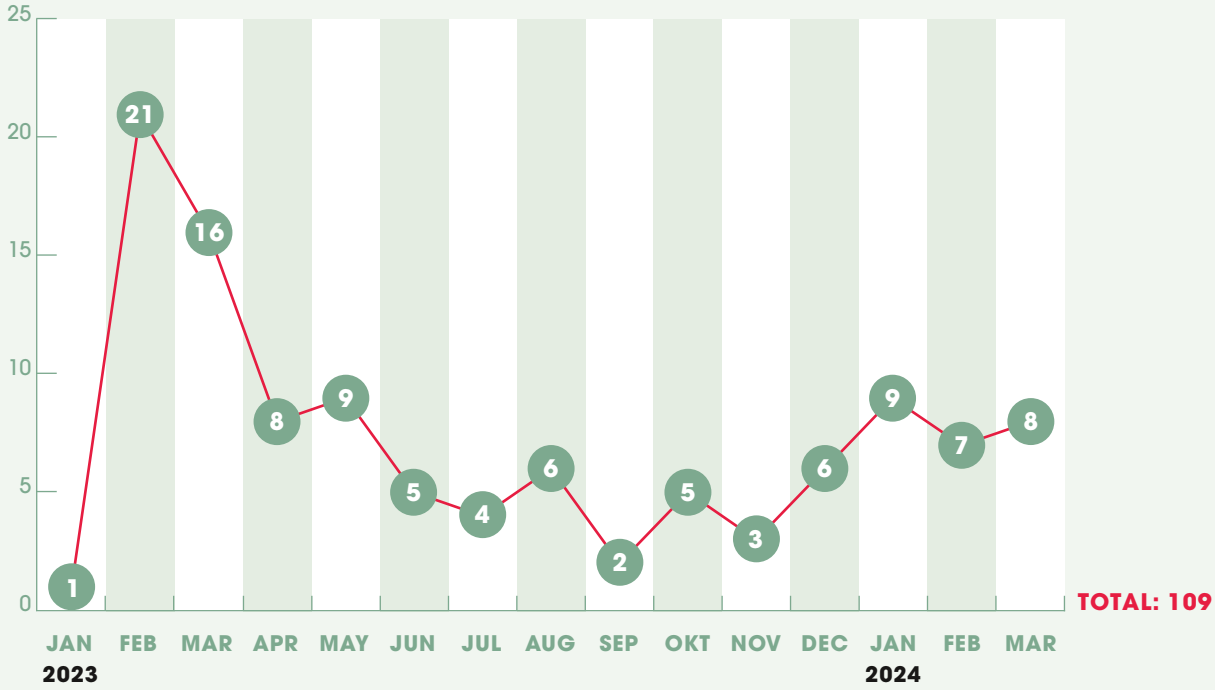
With reference to Articles 38 and 39 of the International Accord, effective September 2021, the Accord Steering Committee agreed to establish a country program in Pakistan in December 2022, following extensive feasibility studies and stakeholder consultations. The resulting agreement, called the Pakistan Accord, is a legally binding agreement between global clothing brands and trade unions. The Pakistan Accord is a country program under the International Accord, established for an initial three-year term beginning on 1 January 2023. The program is being implemented as a CSSP Addendum within the renewed International Accord, which took effect on 1 November 2023.

The Pakistan Accord aims to ensure worker health and safety in the garment and textile supply chains of signatory companies sourcing in Pakistan. The Pakistan Accord builds on key principles of the International Accord, ensuring that garment factory workers operate in a safe and healthy environment, free from building safety accidents and other occupational health and safety issues. The full text of the Pakistan Accord is available here.

SIGNATORY BASE

Signatories to the Accord were invited to sign the Pakistan Accord in January 2023. Since then, there has been a steady rise in the number of signatories. By 1 March 2024, the number of Pakistan Accord signatories had grown to 109. In this quarter, 24 new global brands and retailers have joined the signatory base. These brands source over US$2.5 billion worth of goods from more than 496 facilities in Pakistan with over 550,000 workers. Multiple brands are finalising their internal approvals and documentation, and as a result, the signatory base is expected to rise further in the coming months.

Number of Pakistan Accord Signatories



Pakistan ACCORD

SCOPE AND FACTORY BASE

The Pakistan Accord covers all Cut-Make-Trim (CMT) facilities, including Ready-Made Garments (RMG), home textiles, fabrics, and knit accessories suppliers that produce for Accord signatory companies. Additionally, it includes fabric mills within the supply chains of signatory brands.

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

The first supplier list was published in the first week of August 2023 containing factory information received as of 25 July 2023. The list included over 400 factories supplying 52 Pakistan Accord signatory brands. This list provides an overview of the names, addresses, storeys, production processes, number of workers, and the number of signatory brands sourcing from each factory. Over half of the factories are situated in Sindh, while approximately 35% are found in Punjab. This list grew in the following weeks as more recent signatory brands disclosed their supplier information. However, from September to December, the Accord did not publish new supplier lists due to the development of the factory database on Fair Factories Clearinghouse (FFC). **On 1 March 2024 there were 491 factories listed by Accord signatory brands.**

Based on the factory listings by signatory brands as of 1 March, 2024, the majority of the 491 factories produce Ready-Made Garments (RMG), followed by home textiles. Fabric accessories and home textiles and RMG have significantly fewer factories (see Figure 1). Information about the breakdown of product types at five listed factories was missing as of 1 March , 2024.

This quarter, the number of covered factories declined as the Accord Secretariat completed its de-duplication process, identifying duplicate factories that produce for multiple signatories.

FIGURE 1

PRODUCT TYPE	NUMBER OF FACTORIES
RMG	**368**
Home Textiles	**107**
Fabric Accessories	**11**
Missing Information	**5**
GRAND TOTAL	**491**

The most common production process that the listed factories are engaged in is Cut-Make-Trim (CMT) only, followed by vertically Integrated facilities with CMT and fabric production. The categories with the lowest number of factories are fabric mill only and other processes. Information about the breakdown of process types at nine listed factories was missing as of 1 March 2024.

FIGURE 2

PRODUCTION PROCESSES	NUMBER OF FACTORIES
CMT only	**310**
Integrated CMT & fabric mill	**98**
Fabric mill only	**27**
Other processes	**47**
Missing Information	**9**
GRAND TOTAL	**491**

PROGRAM ROLLOUT

All factories producing for Pakistan Accord undergo independent inspections and implement remediation to prevent accidents related to fire, electrical systems, structural integrity, boiler safety, and hazardous substances.[15] After initial inspections, factories develop a Corrective Action Plan (CAP), comprising remediation actions and timelines. Aligned with the Pakistan Accord's transparency and accountability provisions, these CAPs are updated and published online. The Accord conducted the first round of initial inspections at factories supplying to Pakistan Accord brands in Lahore and Karachi between 16 – 28 October 2023. **As of 1 March 2024, 19 factories have undergone fire, electrical and structural initial inspections.**

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

The participating factories demonstrated commitment to ensuring workplace safety, receptiveness to feedback, and preparedness throughout the initial inspection process.

FIGURE 3

YEAR	NUMBER OF FACTORIES
1 NOV 2023	8
1 DEC 2023	4
1 JAN 2024	6
1 FEB 2024	0
1 MAR 2024	1
TOTAL	19

In the coming months, the inspections will be roll out at additional factories.

15. The scopes for boiler safety and hazardous substances will be rolled out in gradual phases.

OPERATIONS

The Pakistan Accord is in the process of building local teams in Karachi and Lahore to ensure the effective implementation of the Accord's programs and smooth coordination with suppliers.

Most notably, the Pakistan Accord has recruited for the following positions :

- Country Manager
- Chief Safety Officer
- Chief Complaints Officer
- Fire, Electrical, and Structural Safety Engineers
- Remediation Department Manager

Additionally, the newly hired engineers will undergo capacity building training at the end of March 2024 to equip them with the technical knowledge and practical skills necessary to effectively conduct factory inspections and produce reports that identify remediation required under the Pakistan Accord.

The Pakistan Accord operations are also supported by international engineering consultants and the International Accord Secretariat.