

INTERNATIONAL ACCORD QUARTERLY AGGREGATE REPORT

#3 2024

DATA AS OF 1 SEPTEMBER 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 implemented.

The reporting cycle for the QARs is January to March, April to June, July to September, and October to December. In June 2022, the Accord revised the reporting format to simplify data presentation and make the QARs more reader friendly. For any questions, 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.

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

203 global brands and retailers had signed the Bangladesh Safety Agreement by 1 September 2024. During the period 1 June to 1 September, 19 new companies signed the Bangladesh Safety Agreement. The new signatory companies are representing different product categories, including fashion, workwear and sportswear. In addition, several new signatory companies are working as intermediaries, which are sourcing goods for other brands and retailers. These new signatory companies are based in the Americas (Canada, United States and Mexico), Europe (United Kingdom, Germany, Sweden, France, Italy, Poland, Denmark and Sweden), and Asia (China and Japan). Altogether, the signatories of the Bangladesh Safety Agreement are located in 25 different countries.

	NUMBER OF SIGNATORIES
1 DECEMBER 2023	31
1 JANUARY 2024	63
1 FEBRUARY 2024	38
1 MARCH 2024	23
1 JUNE 2024	29
1 SEPTEMBER 2024	19
TOTAL	203

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, and 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 structural¹ safety standards at covered factories.

COVERED FACTORIES	1 MAR 2023	1 JUN 2024	1 SEP 2024
Factories with initial inspections completed	1,698	1,573	1,568
Factories to be scheduled for initial inspections	24	38	63
TOTAL COVERED FACTORIES	1,722	1,611	1,631
FACTORIES NO LONGER COVERED			
Closed	291	293	297
Relocated	180	180	180
Ineligible for business with Accord signatories ²	238	240	241
No longer supplying for Accord brands (but still covered by the RSC)	90	155	174
Out of Accord scope ³ , no longer supplying Accord brands and not covered by the RSC	230	293	316
TOTAL FACTORIES INSPECTED BUT NO LONGER COVERED	1,050	1,162	1,209
TOTAL FACTORIES INSPECTED OR SCHEDULED FOR INITIAL INSPECTIONS SINCE 2013	2,732	2,773	2,777

KEY POINTS

- The number of factories actively producing for Accord signatories increased by 20 this quarter, reaching 1,631 by 1 September 2024.
- The RSC conducts initial inspections at newly listed factories. 63 factories were awaiting an initial inspection as of 1 September 2024.
- Four factories ceased operations this quarter. The RSC has verified that these facilities no longer produce for Accord signatories and, therefore, are no longer being monitored.
- One factory was made ineligible to supply Accord signatories in this quarter. A factory is made ineligible if it fails to fully participate in the health and safety programs and other non-compliance related issues.
- Since 2013, 2,777 factories in Bangladesh have received initial inspections on fire, electrical, and structural by Accord/RSC engineers.
- The increase in factories that no longer supply Accord brands but are still covered by the RSC is caused by released factories joining the RSC program independently.
- Since the start of the Accord in 2013, a total of 1,209 inspected 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

Following the initial safety inspections, the follow-up inspections assess remediation progress of factories concerned. The progress is captured within factory-specific Corrective Action Plans (CAPs) published on the Accord and RSC websites.

	1 MAR 2024	1 JUN 2024	1 SEP 2024
Fire	11,875	11,303	11,375
Electrical	13,186	12,902	13,253
Structural	7,260	6,926	7,120
TOTAL	32,321	31,131	31,748

KEY POINTS

- RSC engineers have conducted follow-up inspections covering fire safety (11,375), electrical safety (13,253) and structural safety (7,120) as of 1 September 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 DEC 2023	1 MAR 2024	1 JUN 2024	1 SEP 2024
Visit to prepare for testing & commissioning verification inspections	1,407	1,490	1,454	1,524
Initial testing & commissioning verification inspections	1,067	1,137	1,113	1,146
Final testing & commissioning verification inspections	321	368	371	392
Fire pump inspections (to assess remediation of negative suction issues)	237	235	220	220
TOTAL	3,032	3,230	3,158	3,282

KEY POINTS

- RSC fire engineers had conducted **3,282 targeted fire system inspections and visits as of 1 September 2024** to assess the installation status of fire alarm and fire suppression systems.

FIGURE 1.4 BOILER SAFETY INSPECTIONS

In 2018, the Accord added boiler safety as a safety scope within the Inspections and Remediation program. 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 DEC 2023	1 MAR 2024	1 JUN 2024	1 SEP 2024	TOTAL
Full-fledged Inspections (Visual + Internal & Hydrotest + Functional) (Completed factories)	42	31	41	39	174
Full-fledged Inspections (Visual + Internal & Hydrotest + Functional) (Completed boilers)	56	63	105	164	293

KEY POINTS

- RSC engineers conducted **full-fledged boiler safety inspections at 39 factories between 1 June 2024 and 1 September 2024**.
- As of 1 September 2024, the RSC has conducted **full-fledged inspections at 293 boilers in 174 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 channel⁴, the RSC engineers conduct a post-incident inspection to assess the cause of the incident and advise on necessary remediation and preventive measures.

	1 DEC 2023	1 MAR 2024	1 JUN 2024	1 SEP 2024
Inspections in response to safety complaints	168	166	161	160
Inspections in response to a reported safety incident	127	136	122	126
TOTAL	295	302	283	286

KEY POINTS

- As of 1 September 2024, the RSC fire engineers had conducted 160 inspections in response to safety complaints and 126 post-incident inspections at.
- The decrease in the number of recorded inspections in response to safety complaints compared to the last quarter is caused by factories no longer being Accord covered.

FIGURE 1.6 FACTORIES REQUIRING TEMPORARY EVACUATIONS

When RSC engineers identify hazards posing critical safety concerns during inspections, they implement the 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 DEC 2023	1 MAR 2024	1 JUN 2024	1 SEP 2024
Temporary factory evacuations	88	89	89	91

KEY POINTS

- Since 2013, **91 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 June 2024 to 1 September 2024, two factories were required 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 DEC 2023	1 MAR 2024	1 JUN 2024	1 SEP 2024
91%	88%	87%	87%

KEY POINTS

- The aggregate remediation rate remained stable this quarter at 87%.
- As of 1 September 2024, **1,126 factories have a remediation rate above 90%.**

FIGURE 2.2 CAP & REMEDIATION STATUS VS. YEAR OF INITIAL INSPECTION⁵

Year of initial inspection	Total factories with the initial inspection conducted that year	CAP behind schedule ⁶	CAP on track ⁷	Initial CAP completed ⁸	CAP not implemented ⁹	CAP not finalised/no CAP ¹⁰	Initial Progress Rate
2013	80	26	3	43	8	0	99%
2014	755	249	10	352	144	0	98%
2015	178	49	6	78	45	0	98%
2016	69	27	1	28	13	0	98%
2017	90	46	3	29	12	0	97%
2018	83	49	4	21	9	0	95%
2019	75	53	4	14	4	0	92%
2020	34	32	1	1	0	0	89%
2021	113	92	13	5	3	0	79%
2022	71	67	1	1	2	0	72%
2023	177	173	3	0	1	0	55%
2024	84	79	0	0	0	5	41%
TOTAL	1809	942	49	572	241	5	87%

KEY POINTS

- **942 of all covered factories have a CAP Behind Schedule** due to not remediating items within the timelines in their CAPs.
- **Around 32% (572) of the factories that underwent an initial inspection have corrected all the safety findings** found during that inspection.
- Approximately 40% (755) of all covered factories had their initial inspection in 2014. Of these, less than half (352) have completed their initial remediation, 34% of the factories concerned (259) is still working on the remediation measures, and 19% became ineligible due to non-compliance with Accord requirements.
- **84 factories were inspected from the 1 January to 1 September 2024.** Five of these factories are yet to finalise their CAPs, which would need to be approved by the RSC before commencement of remediation.

5. This table includes factories that have undergone an initial inspection.

6. The CAP is in implementation, but one or more timelines have not been met.

7. The CAP is in implementation and all timelines have so far been met.

8. All issues identified in the initial inspections have been verified as corrected.

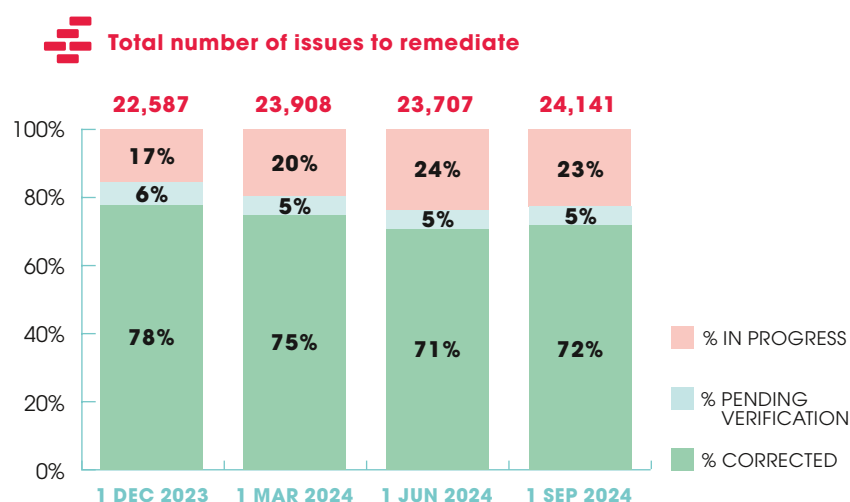
9. The factory does not agree to implement the CAP and as a result the supplier is ineligible for business with Accord signatory companies (see Section 8. Non-compliant suppliers).

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

KEY POINTS

FIGURE 2.3 STRUCTURAL REMEDIATION STATUS

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



- Compared to fire and electrical remediation, 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 overall structural remediation rate increased in the last quarter by 1% as some items from pending verification were confirmed to be corrected during follow-up and special inspections and some items, marked as 'in progress', were reported to be remediated by the factories.

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		
	1 MAR 2023	1 JUN 2024	1 SEP 2024	1 MAR 2023	1 JUN 2024	1 SEP 2024
Lack of load management plan	849	784	810	47 (6%)	36 (5%)	41 (5%)
Inconsistency between building plan and drawings	991	918	945	119 (12%)	97 (11%)	98 (10%)
Incorrect implementation of existing load management plan	811	752	770	52 (6%)	39 (5%)	43 (6%)
Lack of design check against lateral load	713	658	677	106 (15%)	86 (13%)	88 (13%)

KEY POINTS

- The structural safety issues above were found at over half of the inspected factories. Most factories have addressed these issues and between 5-13% of factories are yet to adequately remediate the findings.
- 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.
- 10% of the 945 factories with inconsistent building plans and drawings are yet to remediate their concerned structural CAP findings.**

FIGURE 2.5 STATUS OF DETAILED ENGINEERING ASSESSMENTS (DEA)

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

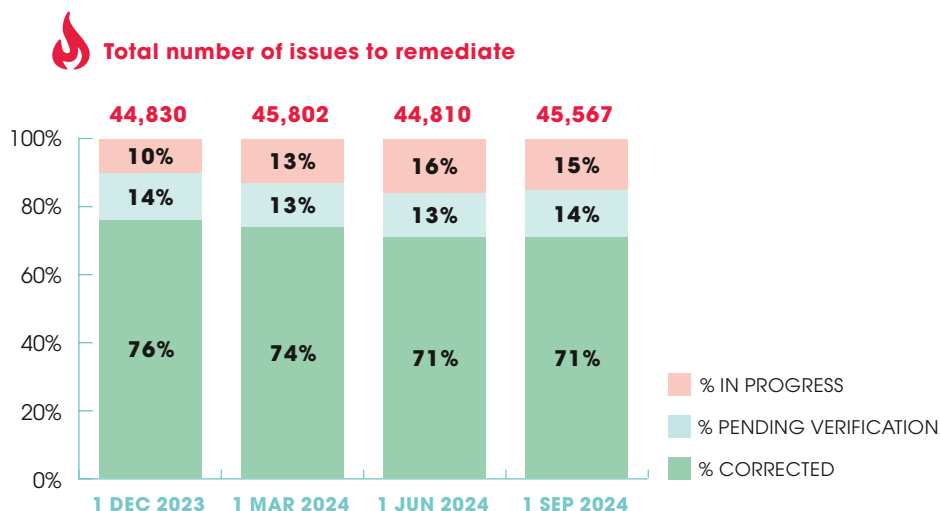
	1 DEC 2023	1 MAR 2024	1 JUN 2024	1 SEP 2024
Factories required to submit (D)EA documents	1,511	1,595	1,551	1,550
(D)EA accepted and verified	1,000	961	891	914
Factories with (D)EA submission outstanding	511	634	660	636

KEY POINTS

- Around 95% of the Accord covered factories (1,550 of 1,631) were required to conduct a DEA to check the structural integrity of their buildings. The number of factories requiring DEAs has decreased by one from 1,551 in June 2024 to 1,550 in September 2024 due to factories no longer being Accord covered.
- As of September 2024, 914 factories have an accepted and verified DEA. This marks a significant increase as compared to the previous quarter.
- 41% of factories requiring a DEA are yet to complete the process.

FIGURE 2.6 FIRE REMEDIATION PROGRESS

Fire remediation involves, among others, 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 especially electrical safety issues, a relatively low percentage of fire safety issues are corrected.
- The overall progress rate on fire safety did not change this quarter, primarily due to the slow remediation of certain fire safety items, particularly FADS and SUPS, which are more resource-intensive to resolve because of their high cost and the complex nature of their installation.

FIGURE 2.7 STATUS OF MOST COMMON FIRE FINDINGS

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.

FINDING 	No. of covered factories where the finding was identified			No. of covered factories where the finding is still outstanding		
	1 MAR 2023	1 JUN 2024	1 SEP 2024	1 MAR 2023	1 JUN 2024	1 SEP 2024
Lockable/collapsible gates	1,077	987	1,015	6 (0,6%)	6 (0,6%)	5 (0,5%)
Inadequate egress lighting	1,217	1,118	1,150	47 (4%)	37 (3%)	40 (3%)
Lack of fire separation in hazardous areas	1,080	996	1,022	76 (7%)	61 (6%)	65 (6%)
Non-compliant exit stair openings	1,256	1,158	1,188	180 (14%)	180 (14%)	155 (13%)
Storage in means of egress	1,098	1,010	1,040	13 (1%)	11 (1%)	14 (1%)

KEY POINTS

- The common safety findings related to safe egress 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 safe egress**. These hazards significantly hinder the ability of factory occupants, including workers, to safely evacuate in case of a fire accident.
- The **safe egress** safety issues above were **found at approximately 73% of the covered factories**.
- Most factories have resolved issues of storage blocking exit routes with 14 factories still having to address this.
- Overall, there is a slow progress in remediating safe egress hazards across all covered factories. **Progress in addressing non-compliant exit stair openings remains slow, with 13% of factories yet to implement adequate remediation.** As a result, emergency exit routes in these factories do not lead to a safe area outside, leaving workers without proper access to safe emergency exits.

FIGURE 2.8 STATUS OF SAFE EGRESS AT COVERED FACTORIES

STATUS SAFE EGRESS	1 DEC 2023	1 MAR 2024	1 JUN 2024	1 SEP 2024
All safe egress measures verified as corrected	1,009	1,007	658	671
At least one finding related to safe egress pending verification and no finding still in progress	217	226	396	388
At least one finding related to safe egress outstanding	132	162	243	219

KEY POINTS

- For 1,278 factories out of the 1,631 covered factories issues related to safe egress were identified.
- 53% (671) of factories have remediated all safe egress issues and passed RSC verification.
- 30% (388) of the factories have reported that all corrective measures have been implemented, but are awaiting RSC verification; additional measures may be required before their safe egress can be confirmed.
- The remaining 17% (219) of factories are yet to complete the necessary remediation and have at least one safe egress finding **In Progress**, thus 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, which hinders the early detection and control of factory fires and poses serious threats to worker safety. Factories work with RSC engineers to design, plan, and install fire alarm and fire suppression systems that enhance fire safety for occupants and comply with required standards.

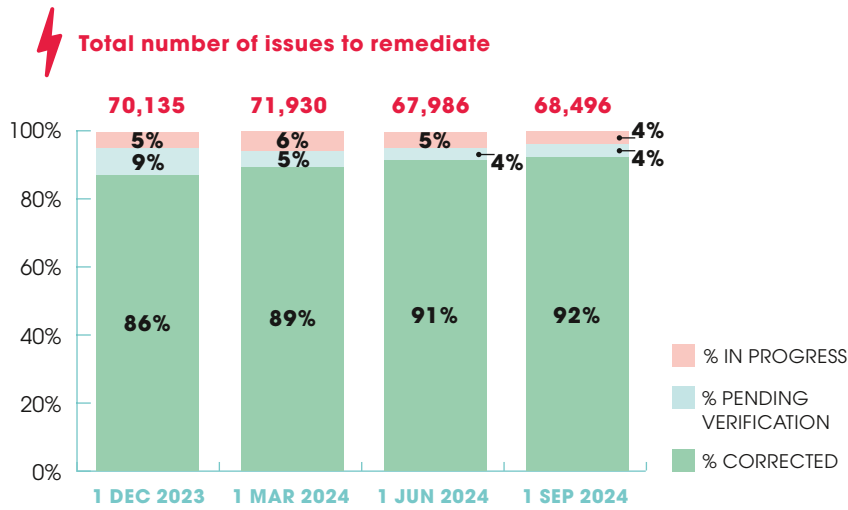
FINDING	Fire Alarm and Detection system (FADS)			Fire Suppression system (SUPS)		
	1 MAR 2023	1 JUN 2024	1 SEP 2024	1 MAR 2023	1 JUN 2024	1 SEP 2024
Factories where FADS/SUPS are required	1,591	1,549	1,565	1,270	1,240	1,242
Fire system verified as installed to standard and fully functional	508	508	526	340	341	352
Fire system installation or verification outstanding	1,083	1,041	1,039	930	899	890

KEY POINTS

- 34% (526) of factories requiring a fire alarm and detection system (FADS) have completed installation** and had it verified as corrected by the RSC.
- 28% (352) of factories requiring a fire suppression system (SUPS) have completed installation** and had it verified as corrected by the RSC.
- More than two-third of the factories which required FADS/ SUPS**, are still in the process of installing these systems or have not yet started, which poses a serious fire safety risks to workers.

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

- **Compared to fire and structural remediation, electrical remediation at factories has progressed further, with 92% of the identified issues being corrected.** This is attributed to electrical issues being relatively easier to resolve and requiring lower investment costs.

FIGURE 2.11 STATUS OF MOST COMMON ELECTRICAL FINDINGS

The most common electrical issues 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 systems.

FINDING 	No. of covered factories where the finding was identified			No. of covered factories where the finding is still outstanding		
	1 MAR 2023	1 JUN 2024	1 SEP 2024	1 MAR 2023	1 JUN 2024	1 SEP 2024
Lack of cable support and protection	1,395	1,289	1,321	156 (11%)	72 (6%)	49 (4%)
Lack of Lightning Protection system (LPS)	1,396	1,294	1,322	160 (11%)	102 (8%)	76 (6%)
No Single Line Diagram (SLD)	1,428	1,318	1,352	566 (40%)	452 (34%)	361 (27%)
Inadequate circuit breakers	1,229	1,135	1,157	191 (16%)	147 (13%)	114 (10%)
Hazardous accumulation of dust and lint on electrical equipment	1,185	1,087	1,113	40 (3%)	13 (1%)	12 (1%)
Unsafe earthing equipment	1,117	1,024	1,052	34 (3%)	19 (2%)	10 (1%)

KEY POINTS

- **Electrical safety hazards** were identified in **approximately 80% of the covered factories.**
- Overall, during the past quarter, the most progress has been made in providing cable support and protection, removing dust and lint, and ensuring the safe earthing of equipment.
- **Progress has been slower in developing Single Line Diagrams (SLDs), with 27% of factories yet to adequately complete this remediation.** The inspection and verification process for SLDs involves desktop reviews, confirmation of plans, follow up questions and the actual on-site inspection. These iterative steps contribute to the overall length of the remediation process.

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 REQUESTS¹¹

Factories may raise a request for financial support directly with their responsible signatory companies or via the International Accord Secretariat.

		1 DEC 2023	1 MAR 2024	1 JUN 2024	1 SEP 2024
FINANCE REQUESTS	Pending (including on hold)	4 ¹²	4	1	2
	Resolved	79	79	78	78
	Currently referred to the Steering Committee	NA ¹³	NA ¹⁴	0	0
	Dismissed	63	63	70	71
	No longer applicable (factories closed, ineligible or relocated)	44	44	44	44
TOTAL		190	190	193	195

KEY POINTS

- All finance request cases were temporarily paused until March 2024. This pause was to allow for signatories to re-sign the 2023 International Accord and Bangladesh Safety Agreement and submit accurate factory lists. The finance requests resumed in June after the required actions were completed.
- The number of resolved finance requests has decreased because one previously resolved finance request case was reopened. This case was later dismissed as the factory did not cooperate and the brand did not relist the factory. As a result, the case could not move forward.
- 195 factories currently covered by the Accord have requested financial support at some point. The increase in this number is explained by the fact that the finance requests raised to the SC in October 2023 (that were previously marked as 'Not Applicable' in earlier quarters) were finally dismissed and now count towards this total.

11. All statuses.

12. 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.

13. 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.

14. No cases currently referred to the SC due to the renewal of the 2023 International Accord and Bangladesh Safety Agreement.

FIGURE 2.13 STATUS OF FACTORY REMEDIATION FUND (FRF)

	1 DEC 2023	1 MAR 2024	1 JUN 2024	1 SEP 2024
Total funding committed	\$1,405,796	\$1,405,796	\$1,405,796	\$1,405,796
Total funding disbursed	\$1,157,224	\$1,164,019.56	\$1,169,406.56	\$1,169,406.56
% of funding disbursed	82%	83%	83%	83%

KEY POINTS

- In total, US\$1.4 million has been committed for the remediation of specific items at factories with the Factory Remediation Fund agreements.
- To date, 83% of the committed funding has been disbursed. One factory is still receiving the disbursement in instalments, and nine factories will not receive their remaining funds as they breached the terms of the Fund agreements.

FIGURE 2.14 STATUS OF FUND AGREEMENTS

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

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

	1 DEC 2023	1 MAR 2024	1 JUN 2024	1 SEP 2024
Factories granted remediation support through the Fund	21	21	21	21
100% fulfilment of agreement	9	1	11	11
Agreement on-going	3	2	1	1
Agreement terminated	9	9	9	9

KEY POINTS

- Of the 21 factories granted funding, 11 have completed the remediation works and received the full grant.
- Remediation work is still in progress at one factory, 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:

	1 DEC 2023	1 MAR 2024	1 JUN 2024	1 SEP 2024
Remediation issues covered by FRF	32	32	32	32
Remediation issues verified as corrected	28	29	31	31
Remediation issues pending verification	2	2	0	0
Remediation issues in progress	2	1	1	1

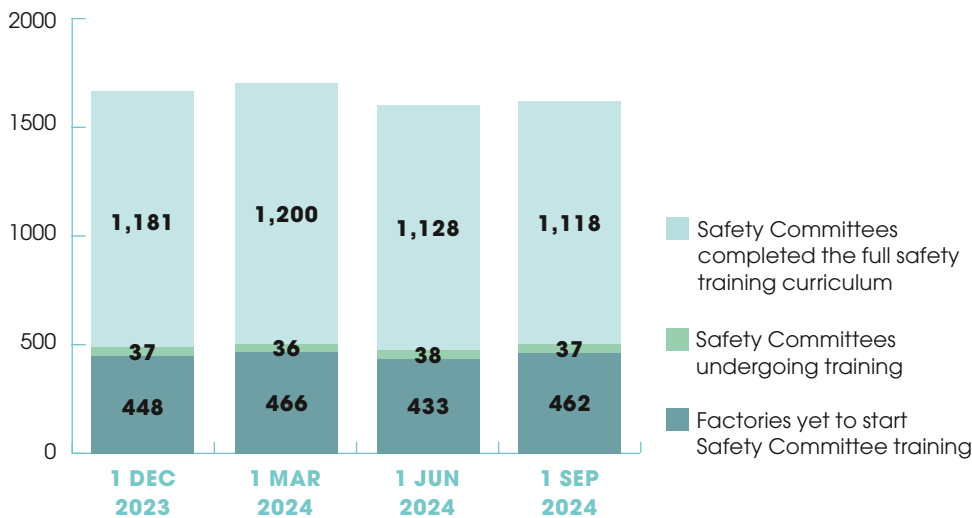
3. SAFETY COMMITTEE & SAFETY TRAINING PROGRAM

All Accord-covered factories in Bangladesh and their workers participate in a safety training program conducted by the RSC. This program includes a comprehensive eight-module training 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.



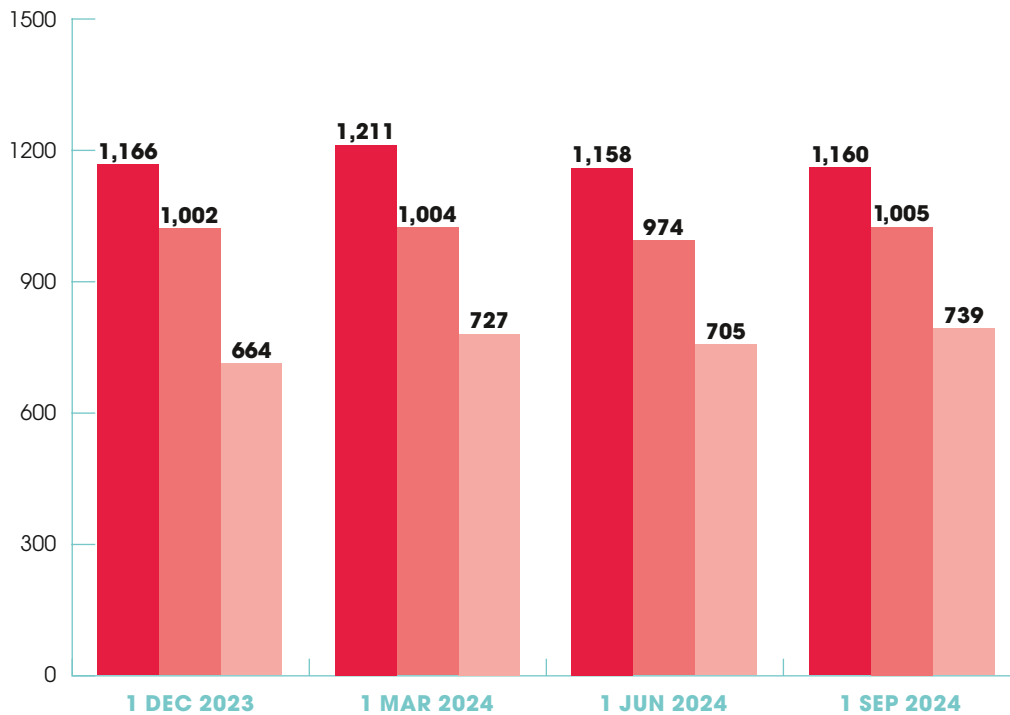
KEY POINTS

- **37 Safety Committees at Accord/RSC covered factories are undergoing the training program as of 1 September 2024.**
- In this quarter, the number of factories awaiting the start of the Safety Committee training has increased by 29, bringing the total to **462 factories that have yet to begin the program.**
- **1,118 Safety Committees have completed their training,** with the RSC training team available to provide ongoing support. The decrease in the number of factories compared to June 2024 is due to a reduction in the number of Accord covered factories in the past quarter.

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

Once the Safety Committee training program begins, 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.

FACTORIES



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

TOTAL PARTICIPANTS: 01/09/24: **2,208,212**

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

TOTAL PARTICIPANTS: 01/09/24: **1,828,689**

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

TOTAL PARTICIPANTS: 01/09/24: **1,429,320**

KEY POINTS

- To date, over 2.2 million workers at **1,160 Accord-covered factories** have participated in at least the first AEM regarding safe evacuation and common factory safety hazards.
- Over 1.4 million participants have attended all three AEMs as of 1 September 2024.
- Like the safety training, the number of AEMs recorded at covered factories has decreased due to a reduction in the number of Accord covered factories in the past quarter.

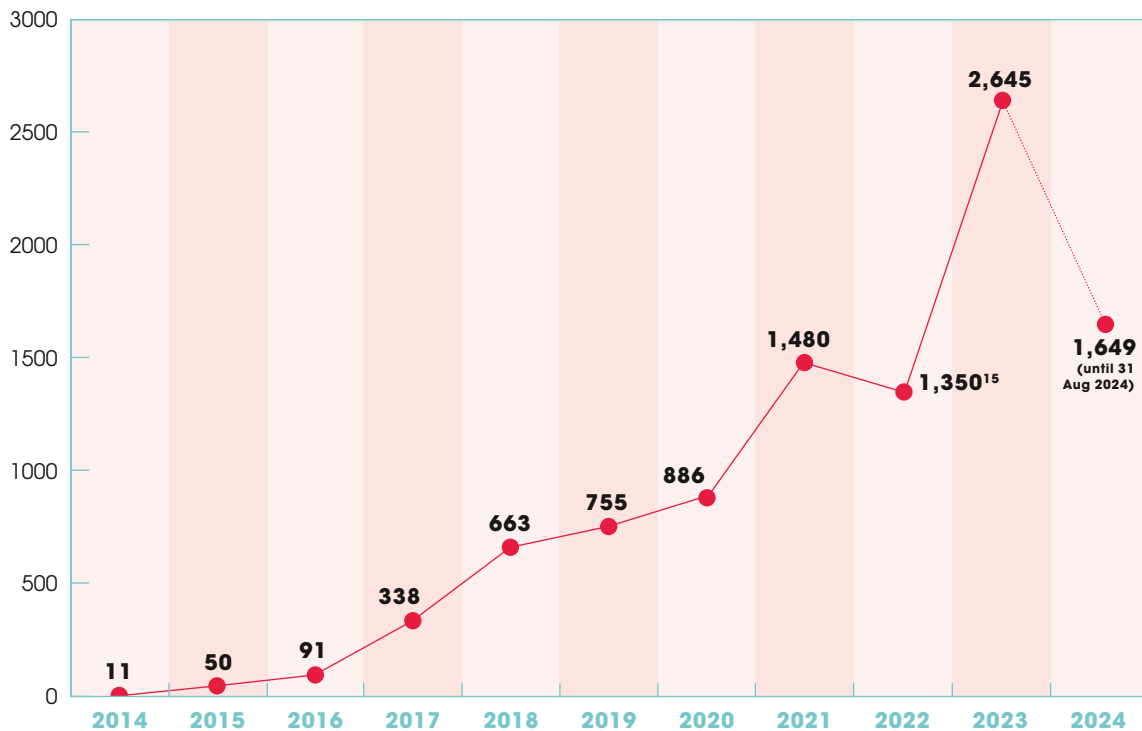
4. COMPLAINTS MECHANISM

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

COMPLAINTS



KEY POINTS

- **1,649 complaints were filed in the first three quarters of 2024** with the Accord Complaints Mechanism.

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

FIGURE 4.2 NATURE OF COMPLAINTS RECEIVED TO DATE

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

	1 DEC 2023	1 MAR 2024	1 JUN 2024	1 SEP 2024
Occupational Safety & Health (OSH)	2,591 (32%)	2,685 (31%)	2,786 (29%)	2,915 (29%)
Non-OSH	5,511 (68%)	6,037 (69%)	6,445 (68%)	6,626 (67%)
Non-OSH (pilot)	-	-	251 (3%)	377 (4%)
TOTAL COMPLAINTS (UNIQUE)	8,102	8,722	9,482	9,918

KEY POINTS

- To date, **a total of 9,918 complaints have been raised through the Complaints Mechanism in Bangladesh.**
- Out of these, **2,915 are OSH complaints related to the working environment, 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 6,626 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 continued to increase in the past quarter.** More than two thirds of all complaints are outside the scope of the Complaints Mechanism and are therefore not investigated. These complaints are redirected to the responsible signatory companies and authorities.
- On 11 March 2024, the RSC started a pilot aimed at expanding the scope of the occupational safety and health (OSH) Complaints Mechanism in Bangladesh beyond OSH. As of 1 September 2024, 377 non-OSH complaints were received under the pilot.

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

	1 DEC 2023	1 MAR 2024	1 JUN 2024	1 SEP 2024
Engineering (structural/fire/electrical safety)	252	255	255	255
Working environment related (incl. Covid-19 related, unsafe drinking water supply, excessive heat, workplace violence, forced overtime, denial of maternity pay/leave rights, sexual harassment)	2,234	2,323	2,395	2,509
Reprisal for filing a complaint	63	65	72	75
TOTAL OSH COMPLAINTS (UNIQUE)	2,591	2,685	2,786	2,915

KEY POINTS

- To date, **a total of 2,915 OSH complaints have been raised through the Accord Complaints Mechanism.**
- 86% of OSH complaints filed by workers and their representatives relate to the working environment including Covid-19 related issues, unsafe drinking water supply, excessive heat, workplace violence, forced overtime, denial of maternity pay/leave rights, sexual harassment.**
- 9% pertain to engineering issues** such as building structure, fire safety or electrical safety concerns.
- In the last quarter, there were **114 complaints concerning the working environment, zero complaints related to engineering issues, and three complaints alleging retaliation towards workers for raising a complaint.**

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

	1 DEC 2023	1 MAR 2024	1 JUN 2024	1 SEP 2024
Resolved (OSH)	1,229	1,330	1,337	1,403
Resolved (Non-OSH)	-	-	80	139

KEY POINTS

- **66 OSH complaints and 59 non-OSH issues were resolved in this quarter.** The Non-OSH complaints were submitted under the pilot aimed at expanding the scope of the occupational safety and health (OSH) Complaints Mechanism in Bangladesh beyond OSH
- The resolutions 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, payment of wages, and reinstatement in case of wrongful termination among others.

5. NON-COMPLIANT SUPPLIERS

Factories which do not adequately participate in the Accord's safety programs could be escalated as per the Escalation Protocol described in Article 30 of the International Accord and Article 21 of the Bangladesh Safety Agreement. Escalations essentially entail a notice and warning process, which consists of different subsequential stages. Decisions as factory escalations and de-escalations are made by the Chief Safety Officer of the RSC. 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

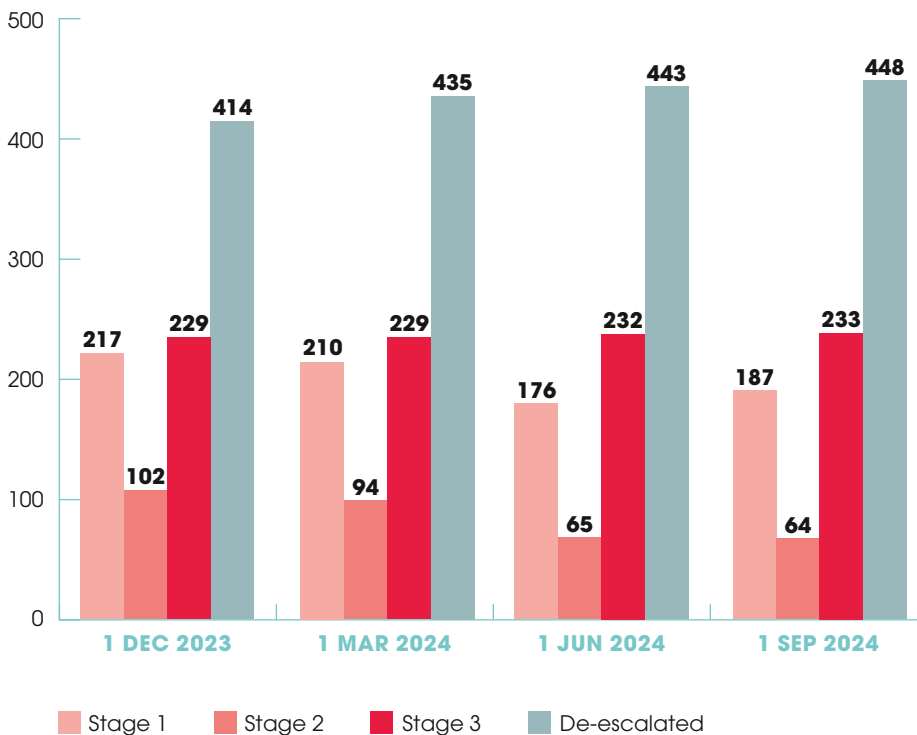
Stage 3: Termination of business relationship with signatory companies if the factory still fails to meet safety requirements within timelines set by the Chief Safety Officer.

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 one, bringing the total to 64.
- One factory was escalated to Stage 3 during this period and therefore became ineligible. All Accord signatory brands were required to phase out production from this factory within 6 months following the termination date.
- Ineligible factories in which their Utilization Declaration is not withdrawn, group escalation will occur. Therefore, 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.

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) including the following aspects:

- Background
- Signatory base
- Scope and Factory Base
- Program Rollout
- Workplace Programs
- Operations
- Capacity Building Local Government

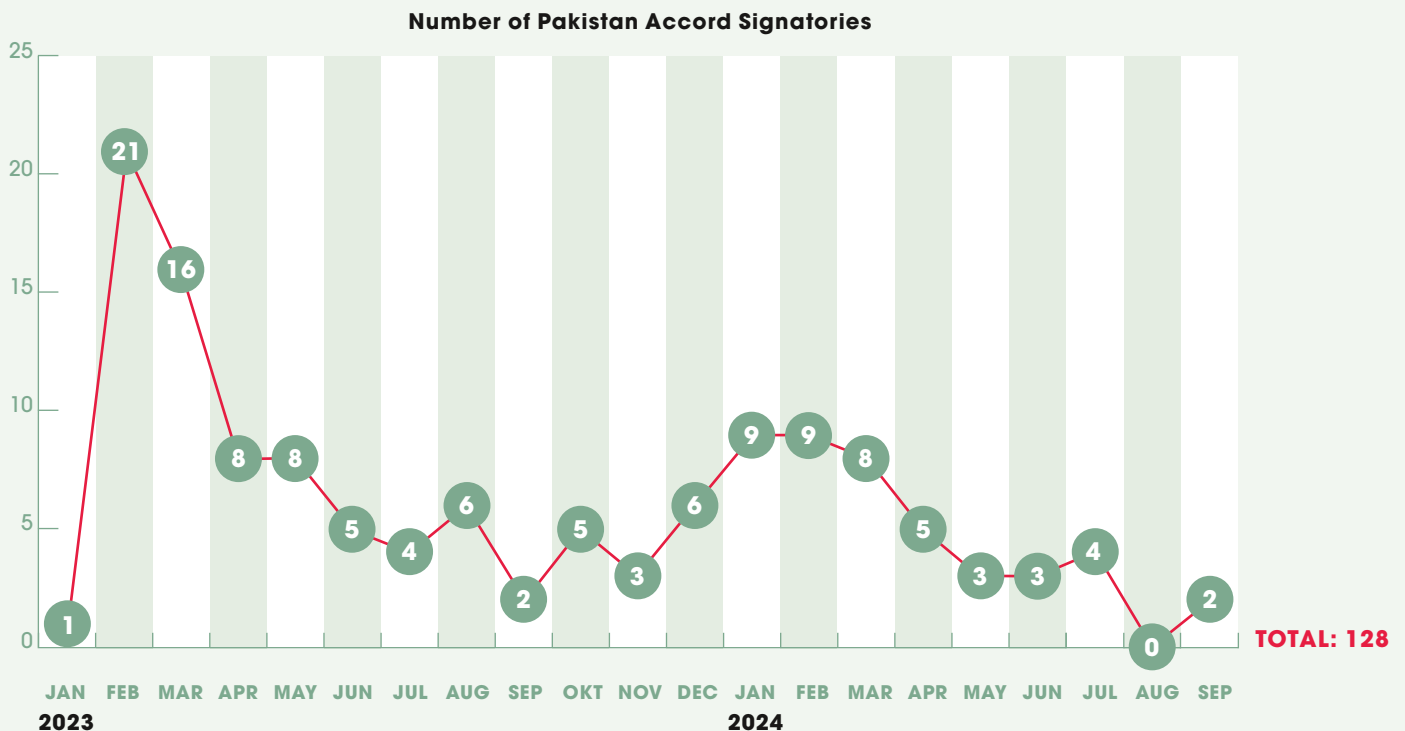
BACKGROUND

With reference to Articles 38 and 39 of the International Accord, effective September 2021, the Accord Steering Committee established a country program in Pakistan in December 2022. The resulting agreement, called the Pakistan Accord, is a legally binding agreement between global clothing brands and trade unions. It is a country program under the International Accord, established for an initial three-year term starting on 1 January 2023 and expiring on 31 December 2025 with the possibility of renewal. 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 upon the 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 as of January 2023. Since then, there has been a steady rise in the number of signatories. **By 1 September 2024, the number of Pakistan Accord signatories had grown to 128.** In this quarter, 6 new global brands and retailers have joined the signatory base. **Collectively, these brands source over US\$3 billion worth of goods from 518 facilities in Pakistan offering employment to over 550,000 workers.** In addition, multiple brands have confirmed that they are finalising their internal approvals and documentation, and as a result, the signatory base is expected to continue to rise in the coming months.



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, fabric mills in Pakistan within the supply chains of signatory companies are covered. The timing and process of the implementation of the Pakistan Accord in relation to fabric mills that are not part of integrated facilities, is subject to agreement of the SC.

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 of the factories, addresses, number of building and storeys, production processes, number of workers, and the number of signatory brands sourcing from each factory. **Over half of the factories are located in Sindh province, while approximately 39% are in Punjab province.**

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 in Fair Factories Clearinghouse (FFC).

On 1 September 2024 there were 518 factories listed by Accord signatory brands.

Based on the factory listings by signatory brands as of 1 September 2024, the majority of the 518 factories produce Ready-Made Garments (RMG), followed by home textiles.

Fabric accessories have significantly fewer factories (see Figure 1). Information about the type of products produced at six listed factories was missing as of 1 September 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	393
Home Textiles	108
Fabric Accessories	11
Missing Information	6
GRAND TOTAL	518

Cut-Make-Trim is the most common production process among the listed factories, 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 10 listed factories was missing as of 1 September 2024.

FIGURE 2

PRODUCTION PROCESSES	NUMBER OF FACTORIES
CMT only	335
Integrated CMT & fabric mill	100
Fabric mill only	29
Other processes	44
Missing Information	10
GRAND TOTAL	518

PROGRAM ROLLOUT

Inspections and Remediation

Inspections

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.¹⁶ After initial inspections, factories develop a Corrective Action Plan (CAP), comprising remediation actions and timelines. The Accord conducted the first round of initial inspections at factories supplying signatory brands in Lahore and Karachi between 16 – 28 October 2023. **As of 1 September 2024, 85 factories have undergone fire, electrical and structural initial inspections.**

FIGURE 3

YEAR	NO. OF FACTORIES WITH INITIAL INSPECTIONS (FIRE, ELECTRICAL, STRUCTURAL)
1 NOV 2023	8
1 DEC 2023	4
1 JAN 2024	6
1 FEB 2024	0
1 MAR 2024	1
1 APR 2024	12
1 MAY 2024	2
1 JUN 2024	14
1 JUL 2024	8
1 AUG 2024	20
1 SEP 2024	10
TOTAL	85

In the first half of September, inspections will be conducted at additional factories, reaching the milestone of 100 inspected factories.

Remediation

CAP Template Launch Webinar – June 2024

The Pakistan Accord Secretariat organised a briefing session on 11 June for the first 50 inspected factories. This session introduced the purpose, steps, and roles of brands and suppliers in the technical finalization of the factory Corrective Action Plans (CAPs). With support from the Pakistan Accord Secretariat, inspected factories develop a CAP and agree on timelines to address the remediation of safety findings in a timely and effective manner.

The Pakistan Accord also circulated its fifth supplier briefing, which are designed for all factories and suppliers listed by Pakistan Accord signatory brands. They include updates on key developments under the Pakistan Accord, along with information on upcoming events, guidance materials, and resources for suppliers.

Finance Plan Briefing for Suppliers – August 2024

The Pakistan Accord Secretariat conducted a briefing session for a first group of inspected factories, offering insights into the Accord's financing remediation policies. During the session, participants were introduced to the Finance Plan Guidance developed by the Secretariat to support factories in the financial planning of their remediation works. This Guidance offers tools, including Remediation and Finance Schedule Templates, designed to support factories in aligning remediation costs with the timelines in their CAPs.

The Pakistan Accord Secretariat will gather feedback on the guidance document and finance planning tools from this first group of factories, addressing any challenges or gaps, before it is rolled out to all covered factories in the coming months.

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

WORKPLACE PROGRAMS

Following stakeholder consultations on the design and curriculum over the past few months, the Pakistan Accord Secretariat hosted an informational briefing session on the rollout of its Workplace Program on August 19, 2024, in Karachi. The Workplace Program, which includes Safety Training and a 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 remedy.

The event featured a panel discussion and a detailed briefing, providing participants with an opportunity to ask questions and provide feedback. Over 70 participants representing 30 covered factories attended the orientation session. The International Labour Organisation (ILO) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) also attended as special invitees.

The Pakistan Accord Secretariat is planning to organise similar informational sessions with additional factories as the program is rolled out in Lahore and Karachi in coming months.

OPERATIONS

The Pakistan Accord is in the process of building and training local teams in Karachi and Lahore to ensure the effective implementation of its programs in coordination with covered suppliers and brands. The team has recently hired a new batch of fire, structural and electrical engineers to join the Inspections & Remediation Department as well as training and complaints specialists to join the Workplace Programs Department. Further recruitment of boiler safety experts, training and complaints specialists, and additional support staff is currently in progress.

Newly hired engineers underwent a capacity building program in the previous quarter. This training was designed to equip them with the technical knowledge and practical skills necessary to effectively conduct factory inspections and produce reports that identify the remediation factories must undergo to improve worker health and safety.

CAPACITY BUILDING LOCAL GOVERNMENT

The Pakistan Accord Secretariat and ARUP, an international engineering firm, organised two needs assessment workshops during the week of 5 August 2024 in Karachi and Lahore. The goal of the workshops is to support local government capabilities in implementing and enforcing health and safety in Pakistan's textile and garment industry by developing a targeted training program for the relevant Sindh and Punjab government agencies.

These interactive sessions brought together engineers and key government stakeholders, including Pakistan's emergency services 1122, the Karachi Municipal Corporation, local building control authorities, and the Departments of Labour and Human Resources, among others. The workshops served as an engaging platform for exchanging information and fostering collaboration among various actors and agencies. Participants critically examined the regulatory framework of building safety, discussed certification and monitoring processes, and identified opportunities for synergy.