# QUARTERLY AGGREGATE REPORT

on remediation progress and status of workplace programs at RMG factories covered by the Accord

## Key milestones

1. Accord Reporting and Transparency
2. Accord Transition to the RMG Sustainability Council
3. Inspections
   - Accord initial inspections
   - Accord follow-up and targeted inspections
   - Factories requiring Detailed Engineering Assessments (DEAs)
   - Factories requiring Fire Design and drawings
   - Factories requiring temporary evacuation
4. Remediation
   - Factory remediation status
   - Remediation progress of safety findings
   - Progress and completion rates of common remediation items
   - Ensuring remediation is financially feasible
   - Factory remediation fund
5. Safety Committee & Safety Training Program
6. Safety & Health Complaints Mechanism
7. Non-compliant suppliers
8. Factories handed over to the Government of Bangladesh

## Statistics as of 1 January 2020

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<td>5. Safety Committee &amp; Safety Training Program</td>
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<td>25</td>
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Annex 1 Overview of common fire, electrical, and structural safety findings identified at Accord factories
Annex 2 Structural findings leading to temporary evacuation of Accord-covered factory & pictorial evidence of ongoing remediation
Annex 3 Overview of common boiler safety findings identified at Accord factories

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KEY MILESTONES
Inspection & Remediation Programs

INSPECTIONS

1,645 FACTORIES COVERED BY ACCORD

1,618 factories inspected
27 factories recently listed and scheduled for initial inspections
>37,000 total initial and follow-up safety inspections
>2,100 targeted inspections

529 FACTORIES NO LONGER COVERED BY ACCORD

162 made ineligible for business with Accord brands
156 closed
159 relocated
52 out of scope

>2,100 FACTORIES INSPECTED OR SCHEDULED FOR INSPECTION UNDER ACCORD

REMEDICATION

91% INITIAL REMEDIATION PROGRESS ACROSS ACCORD FACTORIES

273 FACTORIES COMPLETED THE INITIAL REMEDIATION

>90% INITIAL REMEDIATION AT 1,173 FACTORIES

1,361 FACTORIES YET TO HAVE THEIR FIRE ALARM AND DETECTION SYSTEM INSTALLED AND VERIFIED TO STANDARD

1,124 FACTORIES YET TO HAVE THEIR FIRE SUPPRESSION SYSTEM INSTALLED AND VERIFIED TO STANDARD

498 FACTORIES YET TO COMPLETE STRUCTURAL RETROFITTING BASED ON AN ENGINEERING ASSESSMENT

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KEY MILESTONES
Workplace Programs

SAFETY COMMITTEE & SAFETY TRAINING

311
SAFETY COMMITTEES COMPLETED THE SAFETY TRAINING

348
SAFETY COMMITTEES YET TO COMPLETE THE 2018 ACCORD TRAINING ELEMENT ON HEALTH HAZARDS & THE RIGHT TO A SAFE WORKPLACE

620
SAFETY COMMITTEES AT AN EARLIER STAGE IN THE TRAINING PROGRAM

>1,8 MILLION
WORKERS INFORMED ABOUT WORKPLACE SAFETY

SAFETY & HEALTH COMPLAINTS MECHANISM

552
COMPLAINTS RESOLVED

156
COMPLAINTS UNDER INVESTIGATION

COMMONLY ALLEGED SAFETY & HEALTH ISSUES INCLUDE:
- Fire/structural/electrical hazards
- Health hazards (e.g. excessive work hours)
- Workplace violence

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As part of its commitment to transparency and accountability¹, the Accord publishes Quarterly Aggregate Reports and makes public on its website the following information:

- **The list of Accord-covered factories** and their safety remediation progress, together with the status of the safety training program.
- **The list of non-compliant suppliers**², for failure to implement workplace safety measures made ineligible for business with Accord signatory companies.
- **The list of factories handed over to the Government of Bangladesh.**
- **The complaints** raised by workers and their representatives through the Accord health & safety complaints mechanism.

The 2018 Transition Accord, which entered into effect on 1 June 2018, currently covers 1,645 RMG and textile factories³ of which:

- **1,359** factories are ‘active’, meaning that at least one company signatory is actively sourcing from there;
- **85** factories are ‘inactive responsible’, meaning that at least one company signatory was sourcing from there within the last 18 months.
- **105** factories are ‘no-brand’, meaning that they were covered under the 2013 Accord but had not completed the initial remediation until 1 June 2018, and have not been listed as ‘active’ by signatories to the 2018 Transition Accord. The Accord continues to monitor and support remediation at these factories until remediation has been completed.
- **96** factories are ‘pending closure’, meaning that they are undergoing the Accord closure procedure. This procedure is initiated when a factory has / is going to be temporarily closed, permanently closed, or relocated.

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3. Under the 2018 Accord, signatory companies can voluntarily list their suppliers in any of the following categories: i) home textiles; ii) fabric and knit accessories. If a signatory so chooses, it must list all its suppliers in the respective category.
On 1st June 2020 the functions of the Accord Office in Bangladesh will transition to a newly established labour-brands-industry organisation called RMG Sustainability Council (RSC). The RSC will inherit all operations, staff, infrastructure, and functions of the Accord Office in Bangladesh; and will continue with factory inspections, remediation monitoring, and workplace programs.

The Accord Steering Committee and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) reached this agreement in May 2019, with a view to ensure that the safety progress made by Accord-covered factories is maintained and potentially expanded.

About the RSC
The RSC is established to ensure a sustainable approach to workplace safety and to ensure the Accord signatory companies’ requirements related to workplace safety continue to be monitored in their RMG factories. The RSC will be governed by a Board of Directors consisting of an equal number of representatives from industry, brands and trade unions; and will closely co-operate with and support the regulatory functions of the Government of Bangladesh.

Through the signing of a Transition Agreement on 14th January 2020, outlining the scope and functions of the RSC, the Accord SC and BGMEA agreed that:

- Documented decisions, policies and protocols developed by the Accord will be carried over to the RSC as these have proven effective and expedient.
- All existing transparency features of the Accord will be maintained by the RSC, including full public disclosure of inspection results and remediation activities.
- Factories currently covered by the Accord shall be carried over to the RSC retaining their remediation status and any outstanding remediation requirements as per the factory’s Corrective Action Plan.
- All operations, staff, infrastructure, and functions of the Accord Office in Bangladesh will be transferred to the RSC.
- The RSC will appoint a Chief Safety Officer, retaining the same independence, autonomy, authorities, and reporting requirements practiced by the Accord.
- The Safety and Health complaints mechanism established under the Accord will continue to operate independently and autonomously.
- Boiler safety will be integrated in the RSC’s inspection and remediation programs, in addition to fire, electrical and structural safety.

The Accord Steering Committee is committed to ensuring that the RSC maintains key characteristics of the Accord program; including that workers, through their local and global representatives, play an active role in advancing workplace safety; and brands and retailers negotiate commercial terms to make remediation financially feasible.

The RSC will cooperate closely with the Accord Foundation in the Netherlands, providing all necessary access to data and information as required for the implementation and management of the legally-binding agreement between brands and unions. The Accord union and brand signatories have entered negotiations over a new legally-binding agreement that will supersede the current 2018 Accord.

Background
The agreement to establish the RSC, signed by the Accord and the BGMEA through a Memorandum of Understanding in May 2019, resolves a pending court case with the Bangladesh High Court which issued a restraining order against the Accord prohibiting Accord activities in Bangladesh beyond November 2018. After a series of postponements of hearings of the Accord’s appeal, the High Court’s Appellate Court accepted the MoU signed by the Accord and the BGMEA allowing the Accord to continue operations until 31st May 2020 and transitioning its work to the RSC from 1st June 2020 onwards.

Under the terms of the Accord, company signatories disclose all their RMG supplier factories and, on a voluntarily basis, their home textiles and fabric & knit accessory suppliers in Bangladesh. All factories covered by the Accord receive initial inspections and periodic follow-up inspections to monitor and verify remedial measures.

After each factory has been inspected for fire, electrical and structural safety, the inspection reports are shared with factory owners, the responsible Accord signatory companies and worker representatives.

The factory owner and the company signatories are tasked to develop a Corrective Action Plan (CAP) that details what remedial actions will be taken with a clear timeline and a financial plan. The Accord has a team of case handlers who provide support in the CAP development and implementation, and work closely with the Accord engineers to provide any necessary technical guidance.

Once a CAP is finalised by the factory owners and the signatory companies, it is submitted to the Accord for review and approval by the Chief Safety Inspector. After approval, all three inspection reports and the CAP are uploaded to the Accord’s database and website.

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### Accord initial inspections

**TABLE 1 – Factories inspected or scheduled for inspection under the Accord Program**

<table>
<thead>
<tr>
<th>FACTORIES</th>
<th>RELEVANT SECTIONS IN THIS QAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accord-covered factories</td>
<td></td>
</tr>
<tr>
<td>Inspected</td>
<td>1,618</td>
</tr>
<tr>
<td>Recently listed and scheduled for initial inspections</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total Accord-covered factories</strong></td>
<td><strong>1,645</strong></td>
</tr>
<tr>
<td>Factories no longer covered under the Accord</td>
<td></td>
</tr>
<tr>
<td>Closed</td>
<td>156</td>
</tr>
<tr>
<td>Relocated</td>
<td>159</td>
</tr>
<tr>
<td>Made ineligible for business with Accord company signatories</td>
<td>162</td>
</tr>
<tr>
<td>Out of the Accord’s scope</td>
<td>52</td>
</tr>
<tr>
<td><strong>Total factories no longer covered</strong></td>
<td><strong>529</strong></td>
</tr>
<tr>
<td><strong>Total factories inspected or scheduled for initial inspections under the Accord Program</strong></td>
<td><strong>2,159</strong></td>
</tr>
</tbody>
</table>

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5. This number does not match the total number of Accord-covered and no longer covered factories, as some factories that are now closed, relocated, ineligible for business with Accord company signatories or out of the Accord's scope had not received an initial inspection before their status was changed.
Accord follow-up and targeted inspections

- **Diagram 1**: Accord follow-up inspections

The Accord engineers are monitoring progress and verifying implementation of CAPs. Accord engineers are conducting follow-up inspections (Diagram 1) to verify that corrective actions have been completed correctly.

After the Accord engineers have undertaken a follow-up inspection, they generate a detailed report and update the CAPs. The detailed report is sent to the factory, the responsible company signatories and the union signatories. This report includes an explanation of any new findings and pictorial evidence of remediation. The updated CAP is published on the Accord website and shows the progress status of each finding and includes any new findings.

In addition to regular follow-up inspections, Accord engineers are conducting targeted inspections (see Table 2), including the following:

- **Testing & commissioning verification inspections (T&C VIs)** to verify that the installation of the fire detection and alarm system has been completed, as indicated by factories in their CAP.

Since June 2017, the Accord has been engaging with international engineering firm Jensen-Hughes to provide theoretical and practical T&C training to Accord engineers. Jensen-Hughes, accompanied by Accord engineers, conducted T&C VIs at approximately 404 Accord factories and developed a series of checklists to be utilized during these inspections to assess whether the air sampling system, fire alarm, fire pump, fire sprinklers, and the standpipe system have been installed correctly. As part of the Accord’s commitment to help build local engineering capacity, Remediation Coordination Cell (RCC) and National Action Plan (NAP) engineers have been invited to ‘shadow’ the T&C VIs conducted by Jensen-Hughes and Accord fire engineers, and the Accord shared with them the T&C VIs checklists.

In an effort to increase the number of factories that ‘pass’ the T&CVI - meaning that the fire systems are found to be adequately installed to standard and fully functional, the Accord introduced in May 2019 pre-T&CVI on-site documentation and equipment reviews at factories. The goal of such a pre-T&CVI on-site review is for Accord engineers to determine whether the factory is ready for a full functional T&CVI.

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**Table 2**: Accord targeted inspections

<table>
<thead>
<tr>
<th>INSPECTIONS</th>
<th>1 JAN 2019</th>
<th>1 APR 2019</th>
<th>1 JUL 2019</th>
<th>1 OCT 2019</th>
<th>1 JAN 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Testing &amp; commissioning verification inspections (T&amp;C VIs)</td>
<td>1,378</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-T&amp;CVI visits</td>
<td>256</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Negative suction non-compliance-related inspections</td>
<td>323</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boiler safety inspections</td>
<td>52</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspections in response to safety complaints, fire investigations, and factory walk-throughs</td>
<td>156</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2,165</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Negative suction non-compliance-related inspections. T&C VIs conducted in early 2018 revealed that approximately a third of Accord-covered factories had installed the pump of the fire protection/hydrant/sprinkler systems using negative suction, which is non-compliant with the Accord inspection standard (NFPA). Accord engineers have since conducted visits at Accord factories to identify solutions to resolve the negative suction situation, such as installing a vertical turbine fire pump or changing the position of the water reservoir vis-à-vis the fire pump.

Boiler safety inspections. In September 2018 the Accord commenced a Pilot Boiler Safety Program at Accord-covered factories. The pilot program was agreed on by the Accord Steering Committee in May 2018, in response to multiple catastrophic boiler explosions in RMG factories in Bangladesh during the last several years.

Initial boiler safety inspections so far conducted at 17 Accord-covered factories have revealed significant boiler safety hazards (see Annex 3), including non-compliant or missing boiler components/parts and a lack of certification. An overview of the findings is available on the Accord’s website.

The boiler safety findings have been included in the factories’ CAPs, the completion of which is being monitored by the Accord and the responsible company signatories.

Table 3. shows the number of Accord-covered factories at different stages in the (D)EA development, review and approval process.

- (D)EA pending submission by factory – Based on the findings of the initial structural safety inspection, the factory is required to undertake a structural (Detailed) Engineering Assessment (D/EA), including as-built drawings, engineering tests, preparing load plans, and developing retrofitting drawings. (D)EAs are conducted by structural engineers hired by factories and submitted to the Accord for review.

- (D)EA pending review by Accord - The factory has submitted the (D)EA to the Accord and the Accord is in the process of reviewing it.

- (D)EA accepted by Accord, pending on-site verification - The Accord has reviewed and accepted the (D)EA based solely on the documentation submitted as part of the (D)EA. The Accord is yet to conduct an on-site verification of the information...
submitted in the (D)EA i.e. to verify that the documents align with the physical building(s).

- (D)EA fully accepted by Accord - All required (D)EA documentation has been accepted and also verified by the Accord to be in alignment with the physical building(s). Structural retrofitting can commence.
- (D)EA partly accepted by Accord, partly pending submission by factory/review by Accord - The Accord has reviewed the (D)EA and accepted part(s) of it e.g. the (D)EA of one building part of a compound with several buildings. The remaining part(s) of the (D)EA must be (re-)submitted and reviewed. Structural retrofitting based on the accepted part of the (D)EA can commence.

The following may also apply: all parts of the (D)EA had been previously accepted and verified as being in alignment with the physical building(s); but a subsequent follow-up inspection revealed discrepancies e.g. physical building no longer aligned with the design or the factory made a change in Load Plan. In this case, structural retrofitting based on the accepted part of the (D)EA relating to the discrepancies found during the follow-up inspection must be ceased until the updated documents are re-submitted by the factory and reviewed by the Accord.

A challenge at the beginning of this process was for factories to find structural engineers with the necessary experience to conduct DEAs. In response to this, the Accord invested in efforts to improve the quality of DEA submissions and re-submissions by factories and increase the Accord engineers’ capacity and experience.

Since December 2017, the Accord has been engaged with WSP international structural engineering company to review a sample of DEAs submitted to the Accord. WSP has been providing comments to Accord engineers and to the engineers working for the factories to support them in their review process and analysis. The revised DEA submissions from engineering firms contracted by factories which met with WSP engineers are showing improvement and the Accord engineers and factory engineers receiving comments from WSP and meeting with WSP are gaining professional development.

The Accord fire safety inspections may result in the requirement of the factory to install a fire alarm & detection system and a fire suppression system. The design drawings for these systems must be submitted to the Accord for review and acceptance prior to installation of the system to ensure they meet the required standard. Table 7 shows the progress made by factories towards completion of the installation of their fire detection and protection systems.
Factories requiring temporary evacuation

Based on the Accord signatories’ requirements, 63 factory buildings were required to (temporarily) evacuate, as the Accord initial or follow-up inspections revealed a severe and imminent risk of structural failure or severe electrical and fire hazards.

Findings indicating that the structural integrity of the building falls below the acceptable level of safety include (see Annex 2):

- Highly overstressed columns;
- Cracks in beams and floor slabs;
- Discrepancies between design information and building structure;
- Inadequate additional construction onto cantilevers.

In these cases, the Accord Chief Safety Inspector (CSI) required the responsible Accord company signatories to ensure the factory owner evacuates the building and stops Accord company production until it is determined the building is safe for re-occupancy. When necessary, the CSI submits the inspection results to the Government of Bangladesh’s Review Panel6.

In over 200 factories, immediate load reduction measures were required such as removal of storage or emptying of water tanks to prevent the risk of a building collapse and continue (partial) production.

The Accord is working with owners, brands, and labour in these cases in the three critical areas of: expediting remediation, ensuring wages are paid, and verifying employment is maintained. This is very challenging, but the Accord is working to obtain credible and verified information from brands, labour, owners, and through our own efforts to ensure the provisions of the Accord are being upheld.

6. The Review Panel was established through the Ministry of Labour and Employment (MoLE) led National Plan of Action for inspections which lead to determinations that a building evacuation or suspension to operations is required. To overturn the initial evacuation recommendation of the inspection, a unanimous decision of the team of 4 Review Panel engineers (1 Accord, 1 Alliance, 2 Government of Bangladesh/ Bangladesh University for Engineering Technology) must be reached.
REMEDIATION

The Accord monitors completion of safety remediation at its 1,600+ covered factories with approximately 100 engineers on staff who conduct up to 400 follow-up inspections each month. Each factory is inspected approximately once every four months.

The Accord Secretariat further conducts targeted remediation review meetings with individual signatory companies to identify high priority factories where remediation must be accelerated.

**Diagram 2 – Remediation progress of safety issues identified during initial inspections**

**Diagram 3 – Current status of initial remediation at Accord factories (with an approved CAP)**

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**Diagram 2 – Remediation progress of safety issues identified during initial inspections**

**Diagram 3 – Current status of initial remediation at Accord factories (with an approved CAP)**
### Factory remediation status

**– TABLE 5 – CAP status vs. year of initial inspection**

<table>
<thead>
<tr>
<th>Year of initial inspection</th>
<th>Total factories with initial inspection conducted that year*</th>
<th>CAP behind schedule</th>
<th>CAP on track</th>
<th>Initial CAP completed</th>
<th>CAP not implemented</th>
<th>CAP not finalised/no CAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>134</td>
<td>65</td>
<td>13</td>
<td>29</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>1,320</td>
<td>596</td>
<td>126</td>
<td>194</td>
<td>113</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>277</td>
<td>144</td>
<td>29</td>
<td>34</td>
<td>29</td>
<td>0</td>
</tr>
<tr>
<td>2016</td>
<td>98</td>
<td>63</td>
<td>14</td>
<td>10</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>2017</td>
<td>117</td>
<td>89</td>
<td>13</td>
<td>4</td>
<td>7</td>
<td>1**</td>
</tr>
<tr>
<td>2018</td>
<td>96</td>
<td>87</td>
<td>6</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2019</td>
<td>90</td>
<td>65</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>17</td>
</tr>
</tbody>
</table>

* This number includes factories that have in the interim closed down or become out of the Accord’s scope and, as such, does not always match the totals listed under the different CAP status categories described in this table.

** Factory listed by an Accord signatory company in 2019. The initial safety inspections were conducted by the Alliance for Bangladesh Worker Safety in 2017; the responsible parties are in the process of developing a CAP based on the initial inspection reports developed by the Alliance.

The vast majority of factories behind schedule is a cause for concern to the Accord. It must be noted that a CAP is marked behind schedule if just one item has passed the agreed final timeline. Being behind schedule therefore does not necessarily mean that no progress has been made at all. The Accord remains vigilant in accelerating the pace and level of remediation at the large number of Accord inspected factories where execution of the remediation is inadequate or too far behind schedule.
Diagram 4 provides an overview of the status of inspection findings that are reported in the published CAPs.

- **In progress**: This is the default status for an inspection finding. It means that remediation of the inspection finding is underway.
- **Pending verification**: The Accord has been informed that the finding has been corrected but the Accord is yet to verify this.
- **Corrected**: The finding has been verified as corrected by the Accord engineers through their follow-up verification visits.

The total findings in published CAPs include original findings and new findings.

- **Original findings**: Findings from the Accord initial inspections.
- **New findings**: Findings from Accord follow-up inspections.

The Accord experience with remediation verification thus far indicates that around 23 percent of issues pending verification will be reclassified as ‘in progress’ after a follow-up inspection. This is attributed to discovering during an Accord follow-up inspection that the issue was either not corrected or inadequately corrected.
– DIAGRAM 5 –  Remediation progress of total original & new FIRE safety findings (in published CAPs)

– DIAGRAM 6 –  Remediation progress of total original & new ELECTRICAL safety findings (in published CAPs)

– DIAGRAM 7 –  Remediation progress of total original & new STRUCTURAL safety findings (in published CAPs)
Progress and completion rates of common remediation items

Most of the findings that are reported in published CAPs are common to many factories (see Annex 1). The Accord tracks the total number of findings by categories and subcategories. The fire, electrical and structural categorization allows for further analysis of the most common safety hazards across all the factories inspected under the Accord Program.

TABLE 6 – Status of most common FIRE findings at Accord-covered factories

<table>
<thead>
<tr>
<th>Finding</th>
<th>No. of factories where the finding was identified</th>
<th>No. of factories where the finding is still outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lockable/collapsible gates</td>
<td>1,255</td>
<td>21</td>
</tr>
<tr>
<td>Inadequate egress lighting</td>
<td>1,202</td>
<td>68</td>
</tr>
<tr>
<td>Lack of fire separation in hazardous areas</td>
<td>1,199</td>
<td>133</td>
</tr>
<tr>
<td>Non-compliant exit stair openings</td>
<td>1,188</td>
<td>239</td>
</tr>
<tr>
<td>Storage in means of egress</td>
<td>1,083</td>
<td>53</td>
</tr>
</tbody>
</table>

Diagram 8 – Remediation progress of most common FIRE findings at Accord-covered factories
Installation of Fire Detection and Suppression Systems at Accord-covered Factories

Through refinements made to the Accord’s data system, progress made by factories towards completing the installation of their fire detection and protection systems can now be analysed more in-depth by looking at the different stages involved in the installation process.

Once the fire systems’ design has been accepted by the Accord, Accord-covered factories are required to follow the steps described below:

1. Commence the installation of the fire system(s). Around 75% of the components of fire detection and protection systems can be installed using local materials, which are available immediately. For example, the cabling, the conduits, the pipes and fittings of a sprinkler system can be purchased locally and installed whilst waiting for the imported sprinkler heads to arrive. For fire system components that need to be imported, the factories need to open a letter of credit (LC).

2. Undergo a pre-Testing & Commissioning Verification Inspection (pre-T&CVI) on-site documentation and equipment review. The goal of such a pre-T&CVI on-site review is for Accord engineers to determine whether the factory is ready for a full functional T&CVI. Pre-T&CVI reviews were introduced by the Accord in May 2019 in an effort to increase the number of factories that ‘pass’ the T&CVI - meaning that the fire systems are found to be adequately installed to standard and fully functional.

3. Undergo a full T&CVI. The goal of this inspection is to ensure that the systems are fully functional and installed to standard. Where possible, Accord engineers conduct the T&CVI of both the fire detection and alarm system and the fire suppression system during the same inspection at the factory.

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- **TABLE 7** – Status installation of fire detection and suppression systems

<table>
<thead>
<tr>
<th>Factor</th>
<th>Fire Alarm and Detection System (FADS)</th>
<th>Fire Suppression System (SUPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factories where the fire system has been verified as adequately installed to standard and fully functional</td>
<td>209</td>
<td>145</td>
</tr>
<tr>
<td>Factories Pending Testing &amp; Commissioning Verification Inspection (T&amp;CVI)</td>
<td>97</td>
<td>71</td>
</tr>
<tr>
<td>Factories Pending pre-T&amp;CVI on-site documentation &amp; equipment review</td>
<td>560</td>
<td>368</td>
</tr>
<tr>
<td>Factories where the installation of the system is ongoing</td>
<td>615</td>
<td>575</td>
</tr>
<tr>
<td>Factories that have just opened a Letter of Credit</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Factories where the fire system design has been accepted by the Accord; the installation of the fire system is yet to commence</td>
<td>78</td>
<td>98</td>
</tr>
</tbody>
</table>
### TABLE 8 – Status of most common ELECTRICAL findings at Accord-covered factories

<table>
<thead>
<tr>
<th>Finding</th>
<th>No. of factories where the finding was identified</th>
<th>No. of factories where the finding is still outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of cable support and protection</td>
<td>995</td>
<td>49</td>
</tr>
<tr>
<td>Lack of Lightning Protection system (LPS)</td>
<td>942</td>
<td>122</td>
</tr>
<tr>
<td>No Single Line Diagram (SLD)</td>
<td>942</td>
<td>219</td>
</tr>
<tr>
<td>Inadequate circuit breakers</td>
<td>875</td>
<td>86</td>
</tr>
<tr>
<td>Hazardous accumulation of dust and lint on electrical equipment</td>
<td>837</td>
<td>16</td>
</tr>
<tr>
<td>Unsafe earthing equipment</td>
<td>797</td>
<td>18</td>
</tr>
</tbody>
</table>

### TABLE 9 – Status of most common STRUCTURAL findings at Accord-covered factories

<table>
<thead>
<tr>
<th>Finding</th>
<th>No. of factories where the finding was identified</th>
<th>No. of factories where the finding is still outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of management load plan</td>
<td>930</td>
<td>120</td>
</tr>
<tr>
<td>Inconsistency with building plan and drawings</td>
<td>898</td>
<td>141</td>
</tr>
<tr>
<td>Incorrect implementation of existing load management plan</td>
<td>848</td>
<td>101</td>
</tr>
<tr>
<td>Lack of design check against lateral load</td>
<td>656</td>
<td>125</td>
</tr>
</tbody>
</table>

### DIAGRAM 9 – Remediation progress of most common ELECTRICAL findings at Accord-covered factories

### DIAGRAM 10 – Remediation progress of most common STRUCTURAL findings at Accord-covered factories
Ensuring remediation is financially feasible

Article 17 of the 2018 Transition Accord requires signatory companies to negotiate commercial terms with their suppliers which ensure that it is financially feasible for factories to maintain safe workplaces and comply with the remediation requirements instituted by the Accord’s Chief Safety Inspector. Signatory companies have used various types of financial assistance to make it financially feasible for their supplier factories to remediate including guaranteed order volumes for longer periods, higher volumes, soft loans, order pre-payment to improve cash-flow or direct cash assistance.

Finance plan approved
As part of every Corrective Action Plan, the Accord requires signatory companies and their suppliers to confirm that a remediation finance plan is agreed for each factory and the type of finance plan agreed. The Accord obtains confirmation of agreed finance plans from all signatories and factories. To date, 1,413 finance plans have been reported as confirmed in the Accord factory database.

Finance requests
When a factory expresses the need for financial support to cover remediation costs, the Accord will hold a meeting with the factory owner and all responsible brands. The meeting is scheduled with a minimum of 30 days’ notice to give the supplier time to submit the required information for the brands’ review - as outlined in the Finance Guide. Such information will typically include the list of materials/works required to complete the CAP items for which financial support is being requested, written quotations from service providers, as well as financial documentation for the previous three years. If the documentation is incomplete at the meeting, the factory will be given an additional 2 weeks to fulfil the request for information.

The factory must demonstrate the need for financial support and the costs of outstanding remediation. The brands must evaluate the factory’s request and inform the Accord of their decision within 2 weeks of having received the information from the factory. The signatory companies should negotiate amongst themselves in order to determine how the economic and financial responsibility might be apportioned in order to ensure that it is sufficient for the factory to cover the remediation costs. If the factory provides all relevant documents but the brands do not respond or the process does not result in a mutually acceptable agreement that ensures completion of remediation, the Accord will refer the finance request to the Steering Committee, who will decide whether the brand is in breach of its Accord obligations under Article 17.

To date, 176 remediation finance requests from factories have been received (Table 10), of which 55 have been resolved.
To support Accord factories that no longer have any Accord signatory companies as customers, the Accord Steering Committee developed in 2017 a Factory Remediation Fund. Since July 2019, the Fund is available to all Accord-covered factories meeting certain criteria, including those that currently produce for Accord company signatories. Since the Fund became open to ‘active’ factories, 45 of them have submitted an application (see Table 10). To be deemed eligible to receive financial remediation support, applicant factories must have completed at least 75% of the initial remediation. Factories are required to contribute 25% of the remediation costs; the remaining 75% shall be covered through the Remediation Fund.

The funds made available through the Remediation Fund are distributed in four instalments, subject to factory cooperation and Accord verified completion of the remediation commensurate with each preceding instalment.

### Factory Remediation Fund

#### TABLE 11 – Overview applications Factory Remediation Fund

<table>
<thead>
<tr>
<th>Applications received</th>
<th>72</th>
</tr>
</thead>
<tbody>
<tr>
<td>Successful applications</td>
<td>12</td>
</tr>
<tr>
<td>Rejected applications</td>
<td>17</td>
</tr>
<tr>
<td>Applications under consideration</td>
<td>43</td>
</tr>
</tbody>
</table>
The roles of Safety Committees include:
- Conducting factory inspections to identify safety hazards;
- Responding to employee complaints and suggestions about safety and health;
- Reviewing company accident reports to learn how such accidents can be prevented;
- Communicating about safety and health issues to workers;
- Meeting regularly, at least once every three months.

With over 50 staff members in the Training department, the Accord’s training efforts are focused on building these committees, making them effective in addressing and monitoring safety and health issues on a day-to-day basis, and integrating their responsibilities into the functions of the Accord.

The Accord trains joint labour-management Safety Committees at Accord-covered factories and conducts programs to inform all the workers in the factory about essential workplace safety. Functioning Safety Committees are key to ensuring that factories become and remain safe workplaces.

**SAFETY COMMITTEE & SAFETY TRAINING**

**– DIAGRAM 11 – Status of safety training program at Accord-covered factories**

**– DIAGRAM 12 – Advancement of All Employee Meetings 1&2 to inform workers of workplace safety**

8. The Safety Committee and Safety Training program is expected to be completed at all Accord-covered factories that are active and inactive responsible, and at those no-brand factories that commenced the training program under the 2013 Accord and informed the Accord they wish to continue participating in the program.
SAFETY COMMITTEE & SAFETY TRAINING

The Accord Safety Committee and Safety Training Program consists of the following key components:

1. **Initial Meeting with Factory Management and signatories.** The aim of this meeting is to introduce the Safety Training Program and to agree on all the all-employee meetings’ dates.

2. **8 Session Safety Committee Training Curriculum** including sessions on the Safety Committee’s role in remediation, complaints handling, joint problem solving, hazard identification and safety monitoring systems. To date, the Accord conducted 5,394 Safety Committee training sessions.

3. **All Employee safety informational meetings.** During these meetings, all workers in the factory are introduced to the members of the Safety Committee. The Accord further provides information on how to identify and reduce common safety hazards, how to safely evacuate the factory in case of fire or other emergencies, and how to use the Accord’s Complaints Procedure. At the end of each meeting, the workers receive a booklet reiterating the information presented.

4. **Factory walk-throughs.** After training sessions #4, #5, and #6 the factory Safety Committee together with the Accord trainer conduct a walk-through of the factory to identify actual or potential safety hazards, that are then reported to the Factory Management. Most of the issues found during these factory walk-throughs relate to inadequate use of machines, improper maintenance of fire and electrical equipment, obstacles on the work floor, or poor ventilation and lighting. Once the Factory Management inform the Accord that these hazards have been fixed, the Accord engineers will conduct a verification inspection. To date, 1,849 walk-throughs have been conducted at Accord-covered factories.

5. **Ongoing support for effective functioning of Safety Committees.** The Accord facilitates the first meetings of the Safety Committees and emphasises on the active involvement of the Safety Committee Co-Chairs in Accord follow-up inspections. The rationale for this approach is to enable the Safety Committee Co-Chairs to benefit from a skills transfer of sorts and to underscore the importance of the Safety Committee in all aspects of factory safety. Wherever possible, the Safety Committee is fully involved in the monitoring of the implementation of Accord requirements that may emerge from any factory inspection.

2018 Transition Accord training elements on Health Hazards and the Right to a Safe Workplace

In accordance with Art. 12b of the 2018 Transition Accord, the Accord Steering Committee decided that the Safety Committee and Safety Training Program shall include an 8th training session and a 3rd All Employee Meeting with a focus on common health hazards and the workers’ right to Freedom of Association in relation to health & safety. The 8th training session has been rolled-out at factories starting in mid-September 2019, and the 3rd All Employee Meeting will be conducted starting in mid-October 2019.
The Accord has a safety and health complaints mechanism to remedy safety concerns which are not being effectively addressed at the factory level. Workers and employees at Accord signatory producing factories can raise concerns about health and safety risks safely, and if they choose so, confidentially, with the Accord.

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

The Accord Complaints Mechanism ensures that safety and health concerns at the Accord-covered factories are properly addressed and remediated, and that the right to refuse unsafe work is upheld where necessary.

Workers who utilize the Safety and Health Complaints Mechanism or who exercise the right to refuse unsafe work cannot face retaliation in doing so. In such cases, the Accord requires that such founded violations be remedied, failing which, the notice and warning provisions of Article 16 would apply.
### SAFETY & HEALTH COMPLAINTS MECHANISM

#### TABLE 12 — Status of complaints filed through the Accord Complaints Mechanism

<table>
<thead>
<tr>
<th>Status</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial assessment</td>
<td>96</td>
</tr>
<tr>
<td>In progress</td>
<td>156</td>
</tr>
<tr>
<td>Non-OSH</td>
<td>664</td>
</tr>
<tr>
<td>Not processed</td>
<td>223</td>
</tr>
<tr>
<td>Resolved</td>
<td>552</td>
</tr>
<tr>
<td>Unresolved</td>
<td>97</td>
</tr>
<tr>
<td>Withdrawn</td>
<td>112</td>
</tr>
<tr>
<td><strong>Total complaints received under Accord mechanism</strong></td>
<td><strong>1,900</strong></td>
</tr>
</tbody>
</table>

All complaints are initially assessed to determine if they fall under the Accord safety and health remit. Safety and health related concerns are investigated by qualified Accord staff and their findings and remediation requirements are announced to all employees at the factory by the Accord assigned case handler. The complaints falling outside the Accord’s health and safety remit (i.e. Non-OSH complaints) are forwarded to Accord brand & labour signatories and the Factory Management.

During the course of investigating matters referred to the Accord Complaints Mechanism, the Accord will determine remediation requirements in regard to Safety and Health. The Accord can work with Complainants and Factory Management to ensure that the Accord requirements are fully but smoothly implemented.

If the Factory Management does not comply, the Accord signatories will implement a notice and warning process leading to termination of the business relationship if no progress is being made.
Supplier factories failing to participate in the Accord program go through an escalation procedure under Article 16 implemented by signatory companies. This procedure consists of three stages:

1. A notification of non-compliance;
2. A notice and warning letter; and
3. Termination of business relationship with signatory companies.

Examples of a failure to participate in the Accord program include:
- refusal to temporarily evacuate the factory;
- a lack of progress in finalizing corrective action plans or executing required safety renovations;
- refusal to resolve worker complaints on safety issues;
- a lack of cooperation with Accord trainers, case handlers and engineers.

If no action is taken following the first warning or the Accord does not see adequate progress, the supplier factory will be escalated to stage 2 of escalation and the signatory companies in the factory will be required to issue a warning letter to the supplier.

At this stage, the Accord holds meetings with the Factory Management and the responsible Accord signatory companies to discuss the issue at hand. For example, if the factory made no progress in implementing its CAP, the parties will discuss the inadequate remediation; the immediate measures that must be taken, their corresponding timelines, and the necessary support to make remediation financially feasible.

If the factory meets all the requirements within the specific timelines of the non-compliance notifications, the factory will be de-escalated. If the requirements are not met, the factory will be escalated to stage 3 and signatory companies will terminate their business relationship with this factory. In accordance with the Memorandum of Understanding signed between the Accord Steering Committee and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) on 8th May 2019, stage 3 of the Accord Escalation Protocol will be complemented by the withdrawal of the Utilization Declaration (UD) - which is mandatory to export apparel from Bangladesh, of non-compliant factories by the BGMEA. In the event that the non-compliant factory is part of an RMG group, should the UD of the non-compliant factory not be withdrawn by BGMEA within four weeks of escalation to Stage 3, Accord signatory companies will be required to terminate their business relationship with all factories under the same ownership with the non-compliant factory.

The ineligible supplier factory is no longer eligible for Accord company production for a minimum period of 18 months and until the conditions for requalification have been met. The Accord will work with its labour and company signatories in an effort to ensure that any affected workers are offered employment with safe suppliers.

Factories made ineligible as per article 16 of the Accord are handed over to the Inspector General of the Government of Bangladesh’s Department of Inspection for Factories and Establishments. The Accord hands over the factories’ inspection reports and Corrective Action Plans for the Inspector General’s attention and authority to address the ongoing safety concerns at these factories.

9. Under the 2013 Accord, the notice and warning process was implemented in accordance with Article 21.
When Accord-factories close down, relocate, or stop manufacturing garments, home textiles, or fabric and knit accessories, the Accord marks them as ‘closed’ or ‘archived’ in its factory database and hands over the monitoring responsibility to the Government of Bangladesh. The list of factories handed over to the Government is published on the Accord’s website.

Closed and relocated factories

Factory accounts are closed when the Accord has verified that there is no production in the building. For factories that relocate and remain listed by Accord company signatories, a new factory ID is created and the Accord will conduct an initial inspection at the new building.

Covered factories are required to notify the Accord of a closure or a relocation as soon as possible. Upon receipt of information of a factory closure or relocation, the Accord will go through its closure verification procedure. This includes obtaining confirmation in writing from the factory management and the responsible brands, obtaining information on workers’ severance payments and a closure verification visit.

When the Accord has received sufficient information to consider a covered factory closed or relocated, it will transfer the full electrical, structural and fire initial inspection reports & latest CAP (if available) to the Department of Inspection for Factories and Establishments (DIFE).

Archived factories

The Accord agreement covers garment suppliers, and on a voluntary basis, home textiles and fabric & knit accessory suppliers producing for Accord signatory companies, or where production took place at the time of scheduling the Accord initial inspections.

Factories not meeting these criteria are considered “out-of-scope” of the Accord agreement, and the Accord has no mandate to monitor remediation at these factories.

The Accord is transferring inspection reports of those factories that are out-of-scope but have nonetheless received one or more initial inspections from the Accord, to the Government of Bangladesh and ILO led inspection program of the National Action Plan (NAP) to ensure that the safety hazards identified by the Accord can be addressed through the appropriate authority.

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11. The Accord does not transfer the factory’s documentation in the following cases: i) the building is being utilised by another Accord-covered factory and the Accord continues to monitor the remediation, or ii) the factory has been closed through a Review Panel decision.
ANNEX 1
Overview of common fire, electrical, and structural safety findings identified at Accord factories

Most of the findings that are reported in published CAPs are common to many factories. The Accord tracks the total number of findings by categories and sub-categories. The fire, electrical and structural categorization allows for further analysis of the most common safety hazards across all the factories inspected under the Accord Program.

Fire Safety Hazards identified at Initial Inspections:
- 97% of Accord factories lacked safe means of egress. Lockable/collapsible gates, storage blocking exits and inadequate egress lighting were the most common hazards.
- Exit stair openings, the fire pump rooms, warehouses and storages were the most common areas identified in factories as lacking a proper fire separation.
- 91% of factories required an adequate fire detection & alarm system.

12. The percentages listed in this section reflect the number of factories with at least one finding in a given category as of 1 October 2017.
Electrical Safety Hazards at Initial Inspections:

- Inadequate support and protection of cables was the most common electrical hazard identified.
- Deficient circuit breakers, unprotected openings and unsafe earthing (grounding) systems were found at more than 70% of factories.
- More than 60% of factories had dust and lint accumulated on electrical wiring, which can cause sparks and start a fire.

Electrical cabling: before (left) and after remediation (right)

Before remediation (left) – unsupported and unsafe cables; After remediation (right) – cables are adequately supported; cable tray installed
ANNEX 1

Structural Safety Hazards at Initial Inspections:
No management load plan was in place, or the existing plan was being poorly implemented at almost 70% of factories. Using a management load plan prevents excess structural cracks and building collapses by avoiding weight in certain parts of the building.

Undocumented constructions and inconsistencies with the structural design drawings were found at more than 70% of factories. In just over 10% of the factories inspected, this resulted in an immediate requirement to reduce the loads in the building, such as storage or water tanks.

Lateral instability was identified at 62% of factories. Following the initial inspection, almost half of the factories had to conduct a design check against lateral load. This design check involves verifying that the building is adequately designed for potential wind load. For example, the maximum velocity of wind during a storm has to be considered as pressure on the building and the design check shows how the building will react to this.

Using a management load plan prevents excess structural cracks and building collapses by avoiding weight in certain parts of the building.

In order to strengthen the lateral stability of the building, Accord engineers require the installation of cross-bracing.
Annex 2

Structural findings leading to temporary evacuation of Accord-covered factory & pictorial evidence of ongoing remediation

Findings: excessive wall cracks and cracks in beams and ceiling slabs

Structural retrofitting ongoing. After the structural remediation had been verified as completed by the Accord, the factory was determined safe for re-occupation and resumption of production.
ANNEX 3  Overview of common boiler safety findings identified at Accord factories (Sep - Dec 2018)

Corrosion of the boiler wall due to calcium build-up; this can reduce the efficiency of the boiler and lead to leakage of boiling water.

Left: Inadequate remediation of leakage from boiler shell by using clay; Right: Leakage on input fuel line - constitutes risk of explosion

Left: Uninsulated steam valves and flanges - increases the scorching risk for operators; Right: Rusted weld joint & symptoms of unburnt fuel - reduces efficiency and causes risk of explosion

Left: Faulty electrical wiring - makes the boiler unsafe to operate & constitutes a fire hazard; Right: Rusted blow down pipe - can cause leakage, increasing the scorching risk for operators