



RMG SUSTAINABILITY COUNCIL (RSC)

QUARTERLY AGGREGATE REPORT 3.4

On Remediation Progress and Status
of Workplace Programmes at RMG
Factories Covered by the RSC

Period: March 2023 to May 2023

*Delivering world-class sustainable workplace safety
programmes*

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Cover Photo: An image of a worker at an RSC covered factory/RSC

RSC at a glance

The RMG Sustainability Council (RSC) is a safety monitoring body in the RMG sector of Bangladesh. It is a private initiative of the Bangladesh Industry, global brands, and global and local trade unions. The operations of Bangladesh Accord were transitioned to the RSC. Our vision is to ensure workplace safety, enabling sustainable business and developing the supply chain.

Our expertise lies in:

- Fire, Electrical, Structural and Boiler associated hazards identification in accordance with local & international standards.
- Advise remediation plans to mitigate safety risks.
- Communication & follow up on the identified issues and implement a firm warning procedure to ensure the production facilities do not fall behind on remediation.
- Ensuring enough training and capacity development of the safety committee members in the production facilities to identify and manage workplace safety risks.
- Ensure an independent complaints mechanism that ensures the anonymity of the complainant and follow up on their right to a safe workplace. Going forward we will also have a wing where environmental sustainability will be monitored and assessed.

EXECUTIVE SUMMARY

The Ready-Made Garments (RMG) Sustainability Council (RSC) is an unprecedented tripartite initiative to carry forward the significant accomplishments made on workplace safety in Bangladesh. It is committed to transparency and public accountability. As part of commitment, the RSC publishes Quarterly Aggregate Reports (QAR) with information on the progress of the implementation of remedial measures in the RMG factories. The QAR shows that factories are continuing to make progress in remediation. During the reporting period, 1,683 corrective Actions Plans (CAPs) have now been developed and responded to by factories and brands and technically approved by the RSC. The reporting period for this QAR is March 2023 to May 2023.

The RSC is currently covering 1,881 factories in Bangladesh. There are some 1,017+ factories that are designated as CAP behind schedule with a slow progress rate. The RSC is actively working with the factory representatives and the technical team to lead those specific CAP items into CAP completion. In this reporting period, the RSC issued the Letter of Recognition (LoR) to 16 more factories. A total of 541 factories have been issued with LoR since the inception of the RSC. In order to ensure that factories are safe it is imperative that remaining remediation is completed to include all initial findings.

KEY MILESTONES

Inspections

1. A total of **31** factories from all category inspections were issued with the Letter of Recognition (LoR) in this quarter (**12** factories in March 2023, **10** factories in April 2023, **9** factories in May 2023).
2. **837** inspections were performed in **326** factories in this reporting period.
3. **177** factories were listed and scheduled for initial inspection.

Engineering

1. **75.0%** of required (D)EA documentations were accepted through on-site verification.
2. **1,251** factories have completed structural retrofitting required remedial works were finalised based on (D)EA.
3. **41.13%** Electrical SLDs were accepted among reviewed.
4. **92.12%** covered factories received FADS design approval.
5. **91%** covered factories received SUPS design approval.
6. **468** covered factories have their fire alarm and detection system verified as installed to standard.
7. **300** covered factories have their fire suppression system verified as fully functional and installed to standard.

Remediation

1. **78.81%** RSC covered factories have their initial remediation progress rate above **90%**.
2. **405** factories were De-escalated, **306** factories were escalated to Stage 1, **167** factories were escalated to Stage 2, and **3** factories were escalated to Stage 3.

OSH Training programme

1225 factories have completed all 8 training sessions.

Occupational Safety & Health Complaint Mechanism (OSHCM)

618 new complaints were received.

Factory Coverage

- Covered factory account number: **1,881**.
- The number of factories awaiting initial assessments increased substantially in the months of **April 2023** when many factory extension buildings were listed as new accounts.

Total number of factories being covered by RSC

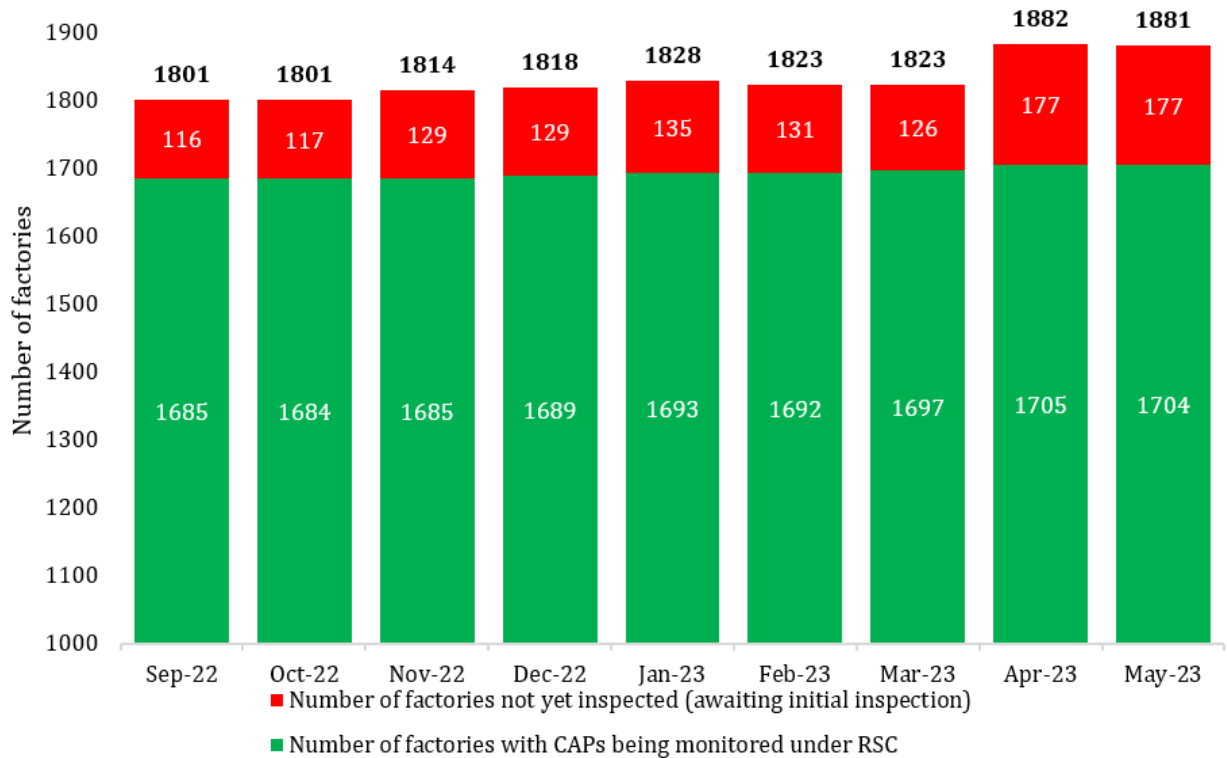


Figure 1: Number of factories covered by the RSC.

RSC covers 1,881 factories with the status as noted below.

- **1,562** factories are **'active'**, meaning that at least one Accord signatory company is actively sourcing from there.
- **59** factories are **'inactive responsible'**, meaning that at least one Accord signatory company signatory was sourcing from there within the last 18 months.
- **156** 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 and RSC. The RSC continues to monitor and support remediation at these factories until remediation has been completed.
- **105** factories are **'pending closure'**, meaning that they are undergoing the RSC closure procedure. This procedure is initiated when a factory has/is going to be temporarily closed, permanently closed or relocated.

1. INSPECTIONS

After each factory is inspected for structural, electrical, fire & life safety and boiler safety, the inspection reports are shared with factory owners/concerns, the responsible signatory companies (Brands), and worker representatives. The factory owner/concerns and the brands are tasked to prepare a response to the CAP that details what remedial actions will be taken with a clear timeline and a financial plan. The RSC team of remediation case handlers provide support in the CAP development and implementation and work closely with the RSC engineers to provide any necessary technical guidance. Once a CAP is finalised by the factory owners/concerns and the Brands, it is submitted for review and approval. All 4 inspection reports and the CAPs are uploaded to the database [jointly shared by the Accord and the RSC] and are made publicly available on the [RSC website](#).

- Total number of inspections: **837** in current quarter.
- Number of unique factories inspected: **326** in current quarter.
- The total inspection number is **2.5** times than the number of unique factories covered indicating multiple types of inspections being conducted simultaneously.

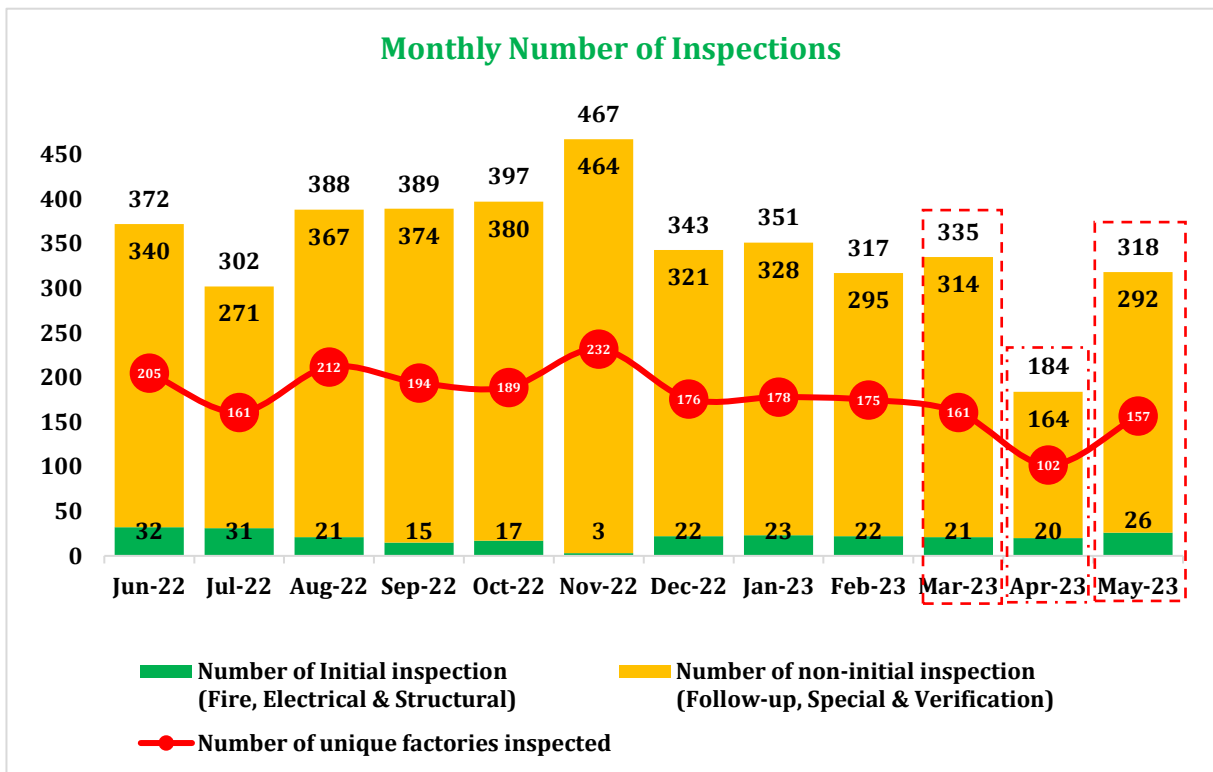


Figure 2: Number of Inspection conducted by the RSC.

More detailed breakdown of inspections conducted during the period of March to May 2023

Types of inspections	March 2023 to May 2023
Initial Inspections (all scopes)	67
FUIs Electrical	220
FUIs Fire	174
FUIs Structural	139
Article 17	0
Boiler Pilot	0
Escalation	9
Factory Remediation Fund	0
Immediate Concern	0
Negative Suction	0
Post Incident	6
Safety Complaint	15
SCWT Finding	0
Settlements	0
Specific Issue	0
Closure	1
DEA	27
Pre-T&CVI Review	88
T&CVI	39
T&CVI Final Verification	26
Total Inspection Conducted	811

Table 1 inspections conducted from March 2023 to May 2023

2. REMEDIATION

2.1. REMEDIATION PROGRESS ON INITIAL FINDINGS (1 March to 31 May 2023)

- Total number of factories with Letters of Recognition (for 100% completion of Initial Findings): **520** out of **1881**
- The number of 100% recognitions is limited by slow completion of initial Fire safety (Fire Alarm and Detection System-FADS & Suppression System-SUPS) items, which are still present a key challenge. To address this challenge, T&C VI process has been updated with a logical sequence of activities followed in the T&C VI process and there are responsible persons allocated at each stage of the process.

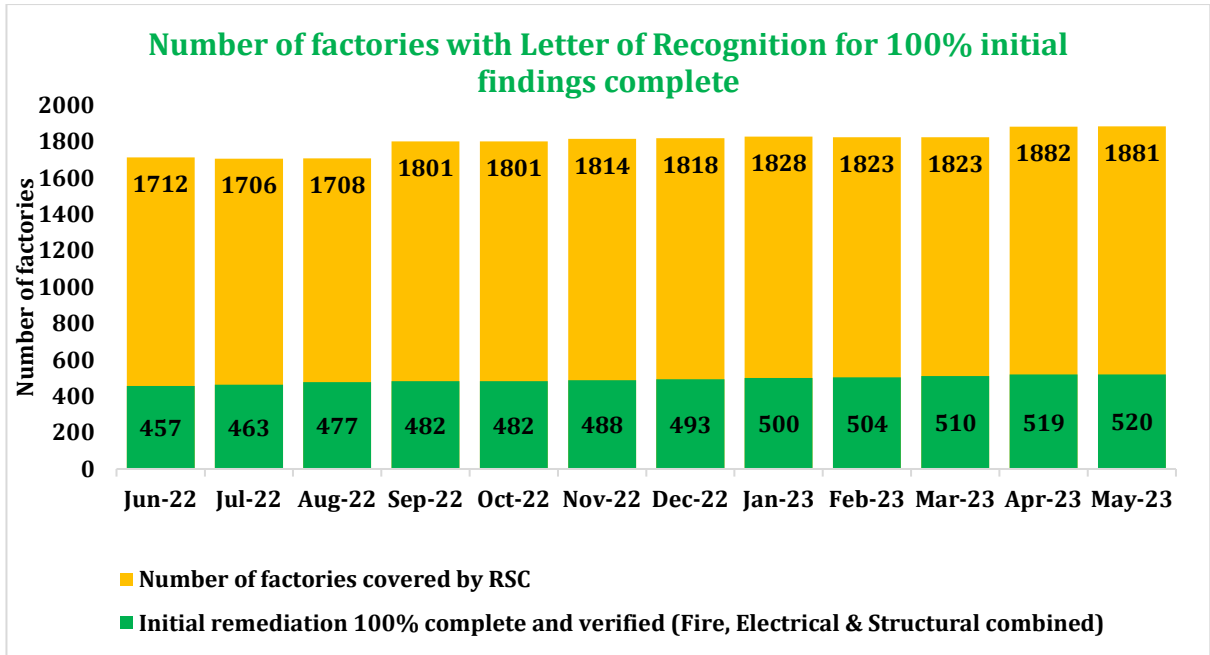


Figure 3: Number of Initial 100% remediated factories (combinedly recognized)

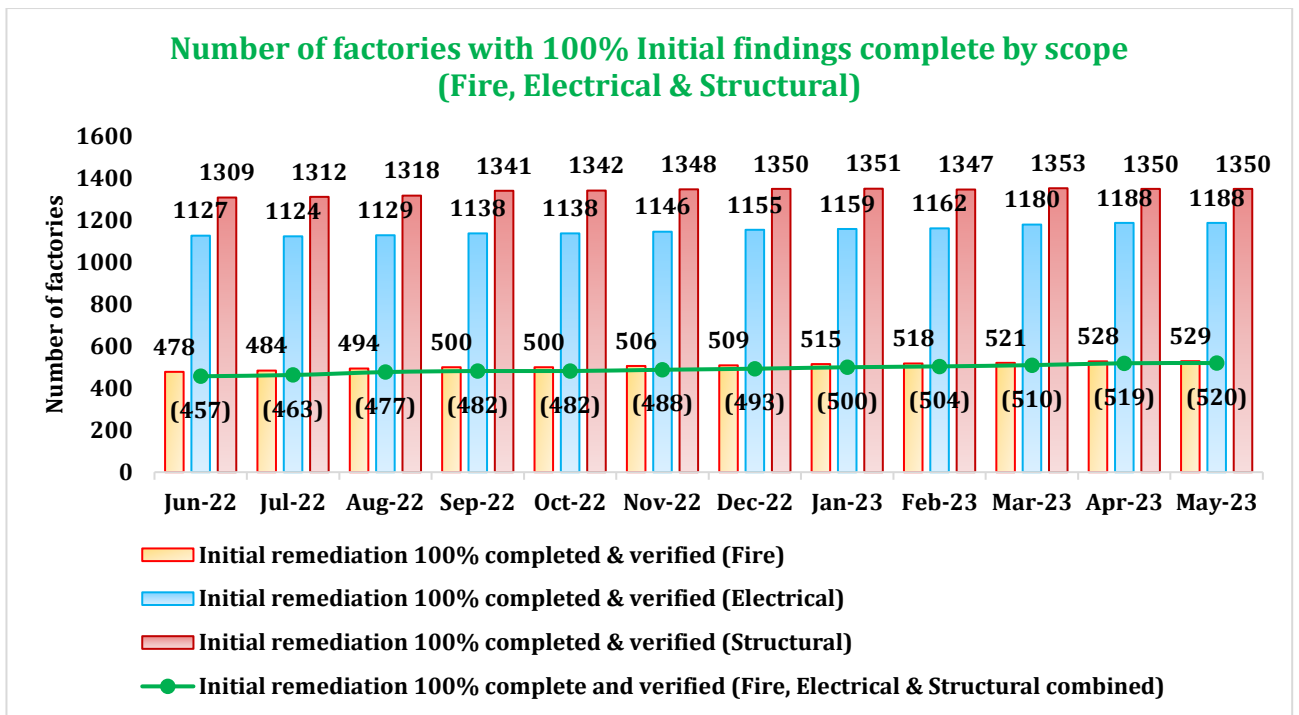


Figure 4: Number of Initial 100% remediated factories by scope (Fire, Electrical & Structural)

2.2. PROGRESS WITH REMEDIATION OF INITIAL FINDINGS (as of May 2023)

Progress with remediation is recorded as being at one of the following three stages:

- **In progress:** This is the default status for an inspection finding. It means that remediation of the inspection finding is underway.

- **Pending verification:** The “Pending Verification” status refers to a process where a factory reports to RSC that the finding(s) are corrected but requires the RSC engineer’s verification through an inspection.
- **Corrected:** The finding has been verified as corrected by the RSC engineers through their follow-up verification inspection and/or testing visits.

The following graph shows the **809** factories that have recorded 100% initial findings completed (includes Pending verification). From Figure 4 above it can be seen that **520** of these factories have received a Letter of Recognition as having 100% initial findings verified (Corrected) by inspection.

Progress with remediation of Initial findings (including pending verification items)

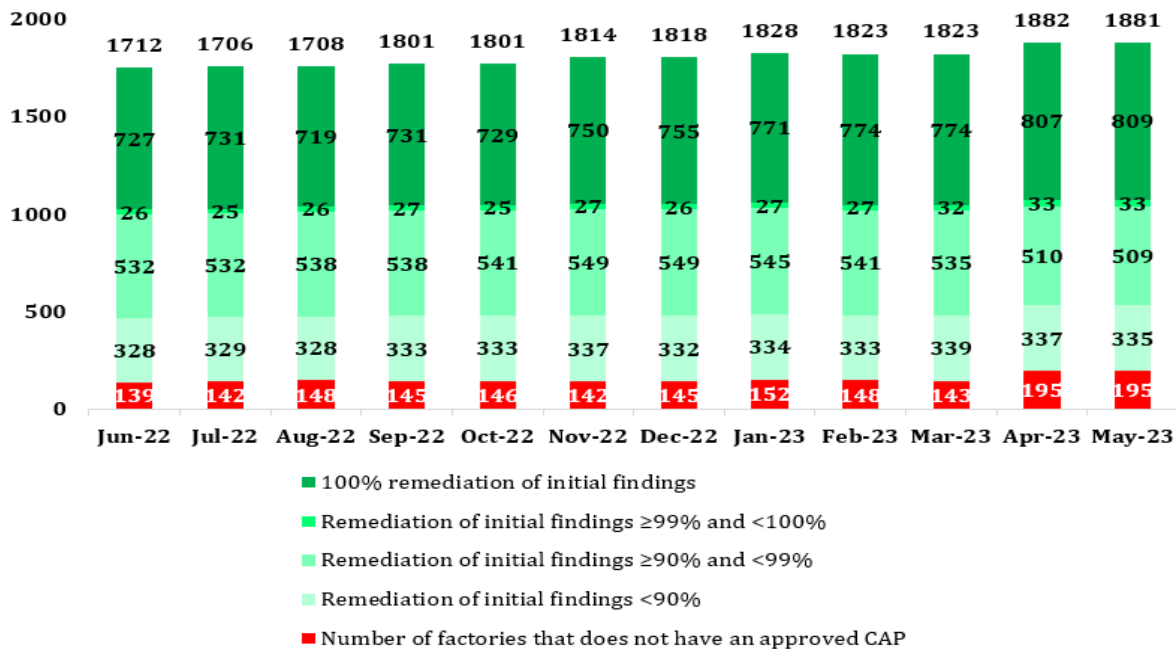


Figure 5: Initial remediation progress (%) considering pending verification items

2.3. FACTORY REMEDIATION FUND

To support factories that no longer have a brand signatory company as a customer to support them, a Factory Remediation Fund (FRF) was set up in 2017. In July 2019, the fund became available to all covered factories meeting certain criteria. The fund has been exhausted and is closed for new applications.

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

remediation completion under the terms of the Accord Remediation Fund agreements are conducted by the RSC. Applications for FRF from **21** factories were approved¹.

During the reporting period, **1** inspection was conducted up to May 2023 to verify that the factory remediation was completed as per funds provided.

2.4. FACTORY ESCALATIONS

The escalation process involves three stages for non-compliant factories, leading to termination of business relationships in Stage 3. As of May 2023, 405 factories were de-escalated, 306 were in Stage 1, and 167 were in Stage 2. One factory reached Stage 3.

As of May 2023, a total of **473** factories have been escalated: **306** to Stage 1 and **167** to Stage 2. There are **405** factories that were de-escalated after the escalation items were verified by the RSC. Out of the total RSC covered factories, **1003** have never gone to the escalation process. The percentage of different escalation stages of the RSC covered (**1881**) factories are shown in the pie chart below.

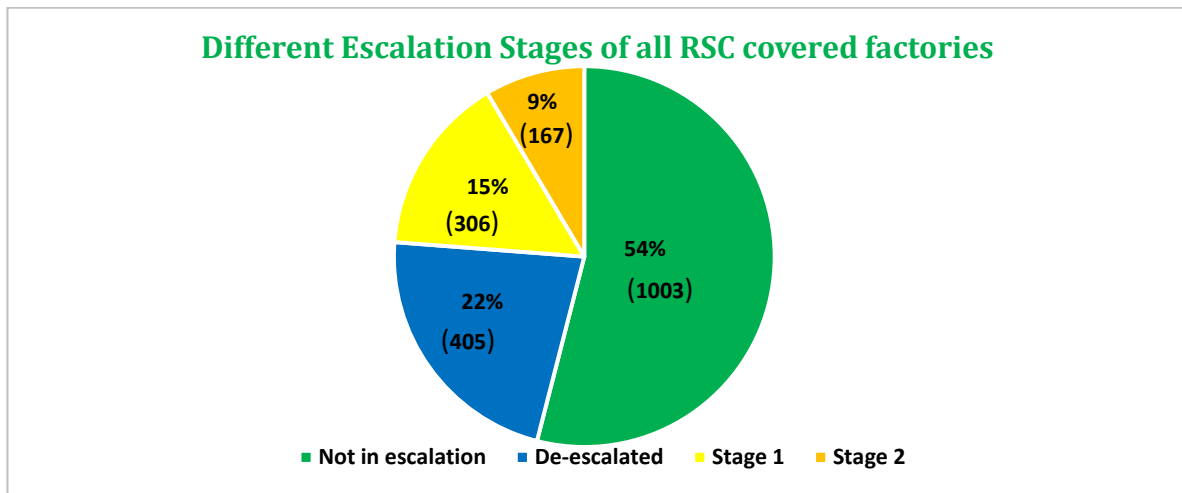


Figure 6: Escalation status of factories

2.5. LIST OF FACTORIES THAT RECEIVED STAGE 3 ESCALATION IN THIS QUARTER

From 1 March until 31 May 2023 there were 3 factories escalated to Stage 3.

The table below lists the names and account IDs of those factories, which were made ineligible for business with RSC participating Brands as a result of failure to participate in the RSC prescribed Safety Programme and have been transferred to DIFE.

¹ <https://bangladeshaccord.org/updates/2020/08/20/overview-of-the-factory-remediation-fund-closed-on-31st-may-2020>

ACCOUNT ID	ACCOUNT NAME	CURRENT ESCALATION STAGE	STAGE 3 ISSUED ON
24469	Harun Twisting Industries Ltd.	Stage 3	02 April 2023
11969	5F Apparels Limited.	Stage 3	27 April 2023
10043	Smh New Generation Apparels Ltd	Stage 3	30 May 2023

2.6. FACTORIES THAT RECEIVED RECOMMENDATION FOR EVACUATION THIS QUARTER

Factory buildings are required to (temporarily) evacuate if the initial or follow-up inspections revealed a severe and imminent life safety risk due to structural failure or severe electrical and fire hazards. During a structural assessment, if the RSC engineer(s) find an immediate threat to the life safety of any occupant of a factory building, then RSC can recommend immediate full or partial evacuation of the building. RSC determines what remedial actions are required before allowing reoccupation of the (partially) evacuated building.

In the months of March to May 2023, the RSC recommended two evacuation cases, which is listed in the following table.

ACCOUNT ID	ACCOUNT NAME	DATE OF RECOMMENDATION	EVACUATION TYPE
12019	Cotton Club (BD) Ltd.	3 May 2023	Partial Evacuation
24722	Shovon Knitwear Ltd (Extension)	21 May 2023	Full Evacuation

2.7. EPORTED FACTORY INCIDENT(S) IN THIS QUARTER

Where the RSC becomes aware of an incident in an RSC covered factory, such as a fire or other accident, that has caused death or injury or has potential safety implications for the occupants of the factory, then an incident inspection is carried out immediately to investigate.

A report of the incident is produced, and actions identified that the factory owner must implement to ensure an adequate level of safety is re-established in the building. There were two such cases during March to May 2023:

ACCOUNT ID	ACCOUNT NAME	DATE OF THE INCIDENT	INCIDENT SUMMARY
9954	Antim Knit Composite Ltd	3 March 2023	<p>A fire incident at the factory on 3 March 2023 was reported through a media outlet. A loud explosion followed by a fire incident reportedly took place. at Antim Knitting, Dyeing and Finishing Ltd (Location: Barpa, Rugganj, Narayanganj) on Friday (March 3) at around 9.30 am.</p> <p>Upon receiving the news, the RSC immediately dispatched a team of engineers to conduct the post-incident inspection and later shared the inspection report with all parties accordingly.</p>
12019	Cotton Club (BD) Ltd.	1 May 2023	<p>A fire incident reportedly occurred at Cotton Club (BD) Ltd. due to gas pipe leakage on May 01, 2023. At least 18 were reportedly injured and taken to the Sheikh Hasina National Institute of Burn and Plastic Surgery Hospital.</p> <p>Upon receiving the news, the RSC initiated the post-incident protocol and collected all necessary information from the factory. In addition, the RSC dispatched a team of engineers on May 02, 2023, to conduct a post-incident inspection and later, shared the inspection report with all parties on May 16, 2023. After the inspection, some remediation of CAP items were added in the CAP of the factory as Fire- 25 & 26; Electrical- no remediation is required & Structural- 22, 23, 24, 25 & 26.</p>

3. STRUCTURAL SAFETY

Based on the initial structural inspection of a factory building, remedial recommendations are provided, among which may be a requirement for a further Detailed Engineering Assessment (DEA) or simpler Engineering Assessment (EA) to ensure an adequate level of safety

If the initial inspection indicates potential structural weakness, factories are required to undertake a structural (Detailed) Engineering Assessment {(D)EA}, including as-built drawings, engineering test reports, preparing load plans, and developing retrofitting drawings.

(D)EA Status as of 31 May 2023	
Factories that require a (D)EA	1,668
Pending submission by factory	148
Submitted, pending review	60
Partially accepted, pending partial re-submission	211
Reviewed, accepted and pending on-site verification	48
Accepted i.e., on-site verification revealed alignment between (D)EA documentation and the physical building(s)	1,398

(D)EAs are conducted by structural engineers or consultants hired by factories and submitted to the RSC for review.

3.1. FACTORIES REQUIRING (DETAILED) ENGINEERING ASSESSMENTS (D)EAs

The DEA or EA done by the factory’s consultant is submitted to RSC for approval. RSC engineers review submitted documentation in order to determine if the designs of the proposed remedial works are compliant with associated legislation and standards. Once the design is approved as compliant with appropriate legislation and standards, written confirmation is provided on the acceptance of the design prior to the commencement of the remedial works.

Once the (D)EAs are accepted, the factories are required to complete the structural remediation works in accordance with the approved design.

Table 2 Overall (D)EA status up to 31 May 2023

For the reporting period, **75.0%** of required (D)EA documentation was fully accepted through on-site verification up to 31 May 2023

3.2. REMEDIATION STATUS OF DETAILED ENGINEERING ASSESSMENT-(D)EAs

The chart demonstrates the number of accepted (D)EAs, where it can be seen that there is a significant difference between desktop approval and the works onsite as verified by RSC.

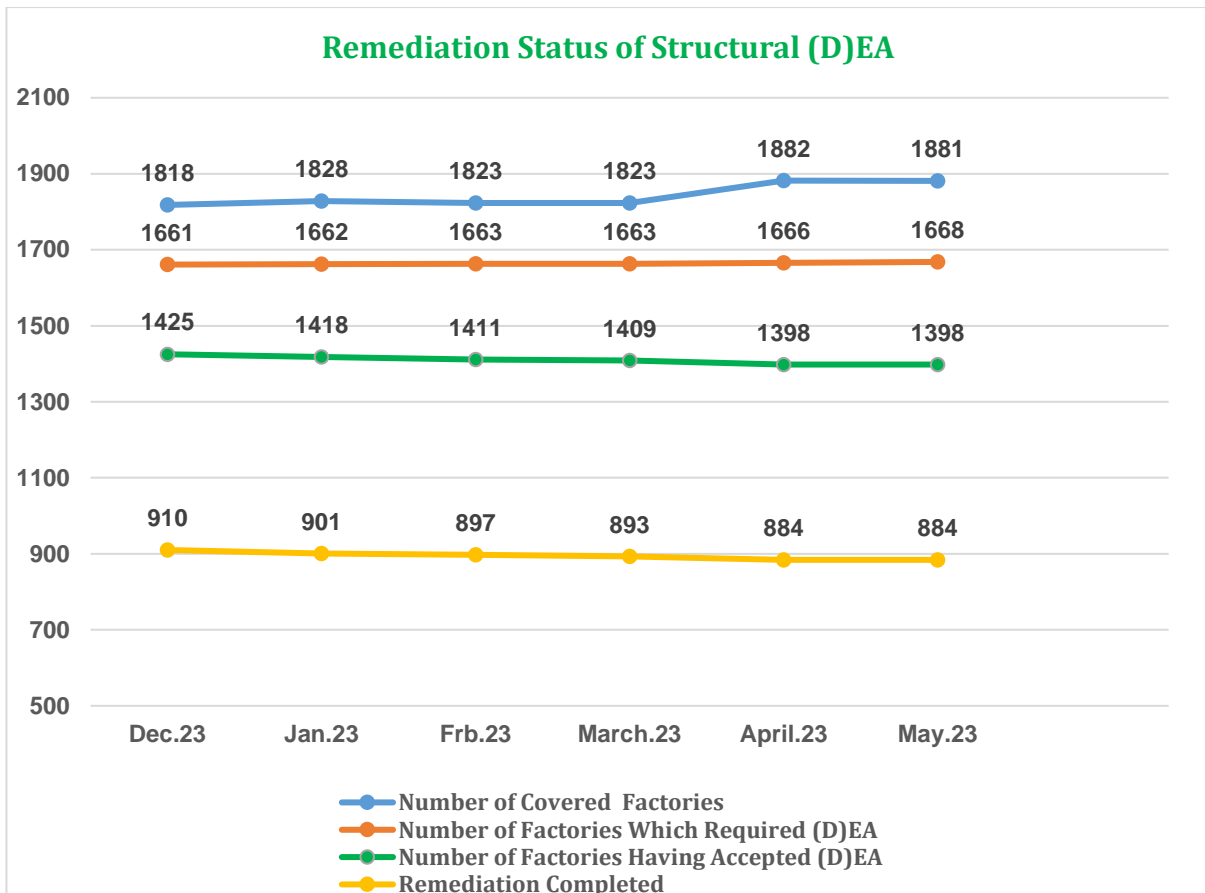


Figure 7: Remediation status of Structural DEA/EA

3.3. OTHER COMMON STRUCTURAL FINDINGS AND REMEDIATION PROGRESS

Findings	No. of factories where the finding was identified	No. of factories where the finding is still outstanding	Remediation Progress rate
Lack of management load plan	1020	77	93%
Inconsistency with building plan and drawings	105	4	96%
Incorrect implementation of existing load management plan	962	86	91%
Lack of design check against lateral load	836	160	81%

Table 3 Status of most common structural findings at covered factories up to 31 May 2023

3.4. ELECTRICAL SAFETY

The initial assessment reports developed from fire and electrical inspections, which are scheduled on the same day.

Design Approvals and Technical Support

The RSC engineers review submitted designs and any other relevant information and are dealt with by RSC in the same way as described for structures above. Design reviews need to be carried out generally for the Single Line Diagrams (SLD) showing the full distribution of the electrical installations.

SLD status as of 31 May 2023	
Number of factories that require an SLD	1510
Number of pending submissions by factory	374
Submitted SLDs, pending review	94
Reviewed SLDs, accepted and pending on-site verification	501
Fully accepted i.e., on-site verification revealed alignment between SLD documentation and the installed layout	541

Table 4 Overall SLD status up to 31 May 2023

3.5. STATUS OF MOST COMMON ELECTRICAL FINDINGS AND REMEDIATION PROGRES

Findings	No. of factories where the finding was identified	No. of factories where the finding is still outstanding	Remediation Progress rate
Lack of cable support and protection	849	10	99%
Lack of Lightning Protection System (LPS)	809	32	96%
No Single Line Diagram (SLD)	802	122	85%
Inadequate circuit breakers	738	29	96%
Hazardous accumulation of dust and lint on electrical equipment	724	1	100%
Unsafe earthing equipment	673	1	100%

Table 5 Status of most common Electrical findings up to 31 May 2023

4. FIRE AND LIFE SAFETY

4.1. DESIGN APPROVALS AND TECHNICAL SUPPORT

Design reviews need to be carried out for the following:

- Designs, Calculations, Specifications and drawings of the Automatic Fire Detection and Alarm system and their interfaces (eg. doors with magnetic hold-open devices)
- Designs, Calculations, Specifications, Listed Components and drawings of the Fire Suppression Systems (e.g. sprinklers, standpipes, hydrants, hose reels)

4.2. INSTALLATION OF AUTOMATIC FIRE DETECTION AND ALARM SYSTEMS

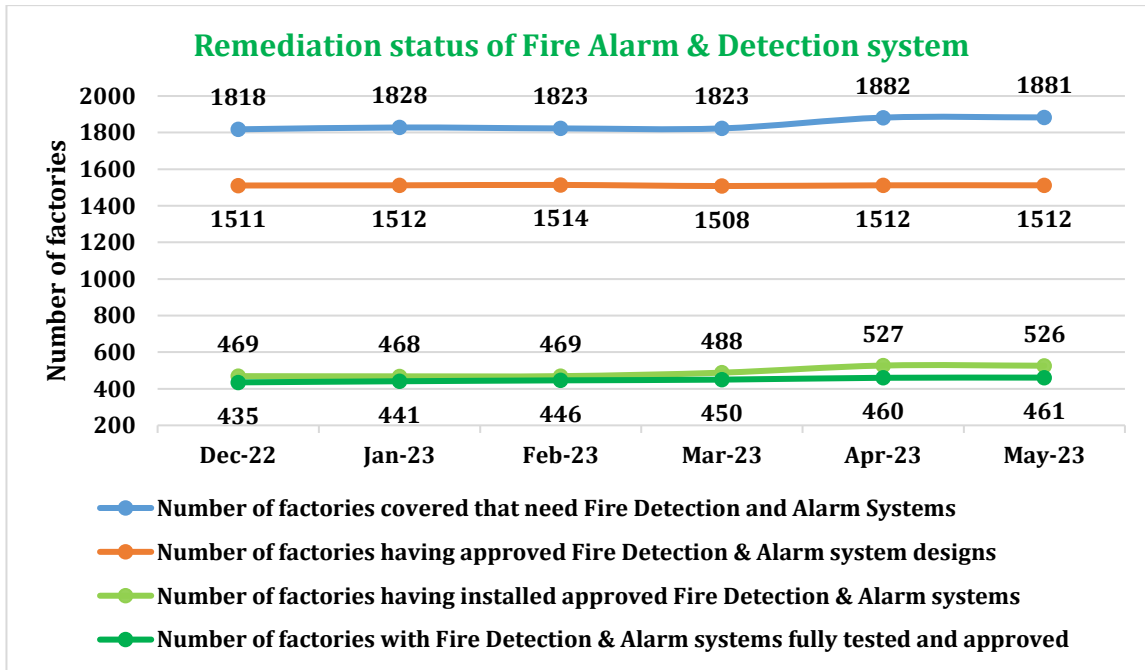


Figure 8: Remediation status of Fire Alarm and Detection System

4.3. INSTALLATION OF FIRE SUPPRESSION SYSTEMS

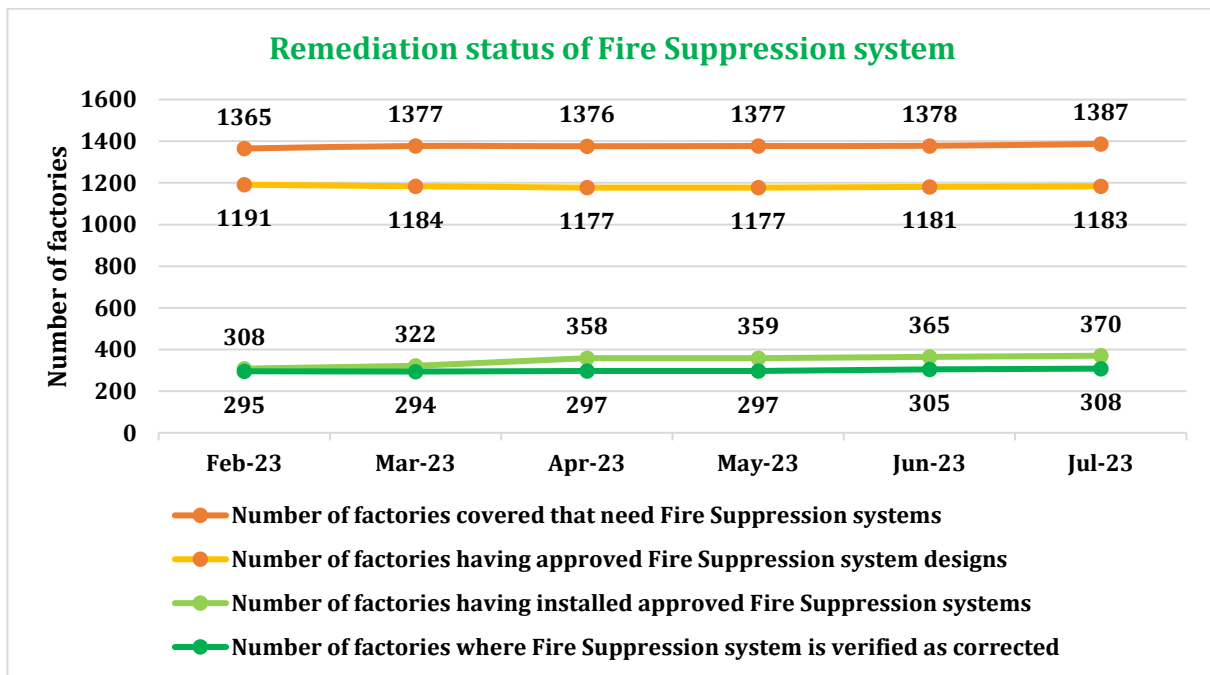


Figure 9: Remediation status of Fire Suppression System

4.4. OTHER COMMON FIRE SAFETY FINDINGS AND REMEDIATION PROGRESS

Status of most common Fire findings other than FADS and SUPS systems, at covered factories and Remediation Progress rate:

Findings	No. of factories where the finding was identified	No. of factories where the finding is still outstanding	Remediation progress rate
Lockable/collapsible gates	1223	42	97%
Inadequate egress lighting	1258	45	96%
Lack of fire separation in hazardous areas	1174	70	94%
Non-compliant exit stair openings	1261	156	88%
Storage in means of egress	1138	19	98%

Table 6 Status of most common fire findings up to 31 May 2023

5. BOILER SAFETY

Between 2018-2020, a Pilot Boiler Safety Programme and initial boiler safety inspections were conducted at 20 at the covered factories, which revealed significant boiler safety hazards, including non-compliant or missing boiler components/parts and a lack of certification.

Boiler safety has been integrated in the RSC’s inspection and remediation programmes, which means that all factories covered by the RSC will receive boiler safety inspections. Progress up to 31 May 2023 is as shown in the table below:

Status of Boiler inspections	No. of Boilers in factories with 1 single boiler	No. of Boilers in factories with 2 boilers	No. of Boilers in factories with 3 or more boilers
Total number of boilers	689	810	1066
No. of boilers undergone Preliminary Visual inspection	508	736	1004
No. of boilers undergone Day 1 Internal & Pressure test	1	17	13
No. of boilers needing repeat Day 1 Internal & Pressure test	0	2	1

No. of boilers undergone the Day 2 functional test	1	8	5
No. of boilers successfully completed full Day 1 & 2 tests	1	8	5
% Boilers fully tested for safety	0.15	0.99	0.47

Table 7 Status of boiler tests at covered factories up to 31 May 2023

6. OSH TRAINING PROGRAMME

Safety Committees play a role in hazard identification and accident prevention, while the Safety Committee and Safety Training Programme comprise an initial meeting and an 8-session training for factories.

As of May 2023, 1225, factories completed the training, while 188 are yet to begin. From January 2023, the RSC resumed All Employee Meetings and Training, including Safety Committee Walk Through (SCWT) sessions, conducting a total of 5,390 sessions.

Notably, initiatives for the Safety Committee and Safety Training (SCST) program from March to May 2023.

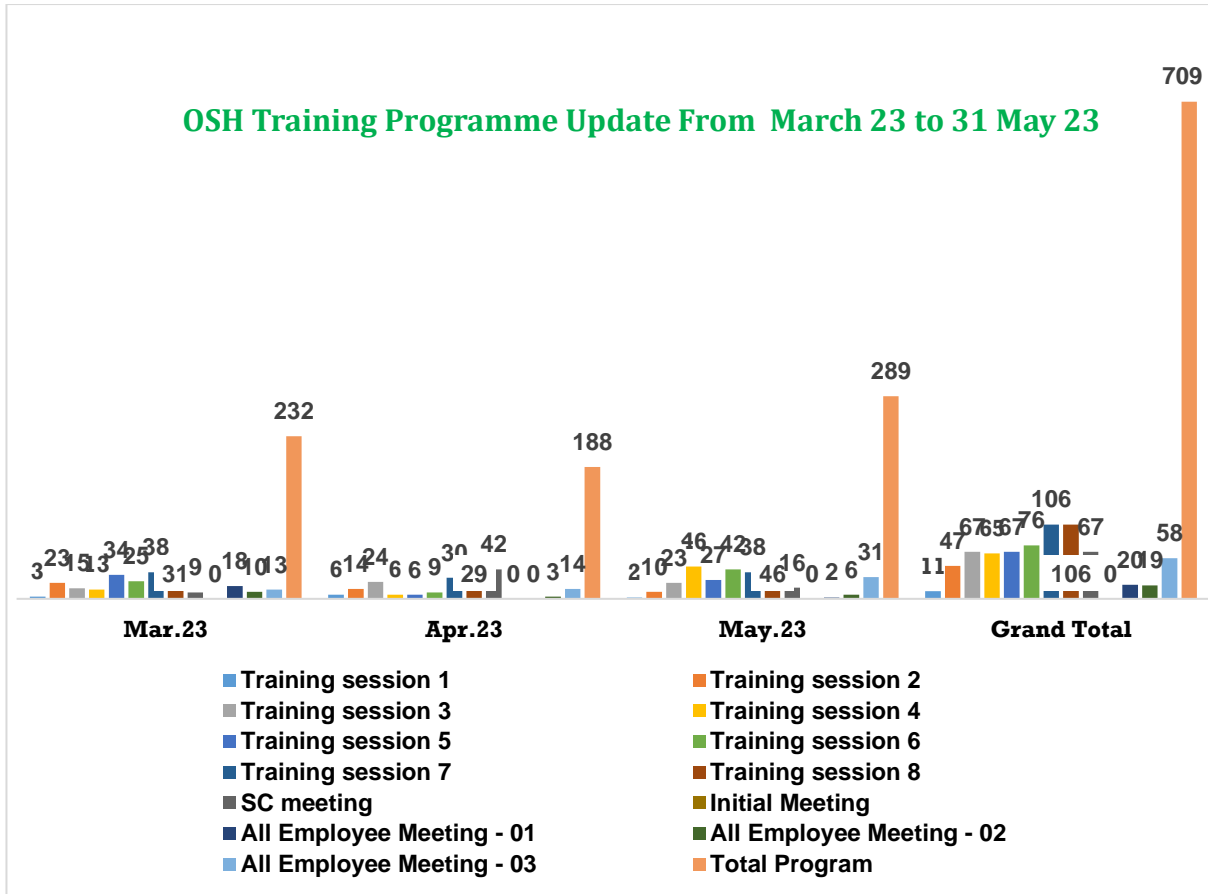


Figure 10: OSH Training Programme Update from 1 Mar 2023 to 31 May 2023

7. OCCUPATIONAL SAFETY & HEALTH COMPLAINTS MECHANISM (OSHCM)

Since June 2020, the RSC has managed the Complaints Mechanism, ensuring workers' safety concerns are addressed confidentially.

The RSC investigates complaints, collaborates with complainants and Factory Management for effective implementation, and can take measures, including termination of business relationships if progress is not made.

Workers in covered factories have rights including refusing unsafe work, participating in Safety Committees, and filing safety-related complaints. As of May 2023, a total of **2,927** OSH complaints were **received**, with 230 in progress and **432 resolved**.

Recent data shows an upward trend in new complaints and OSH-related concerns.

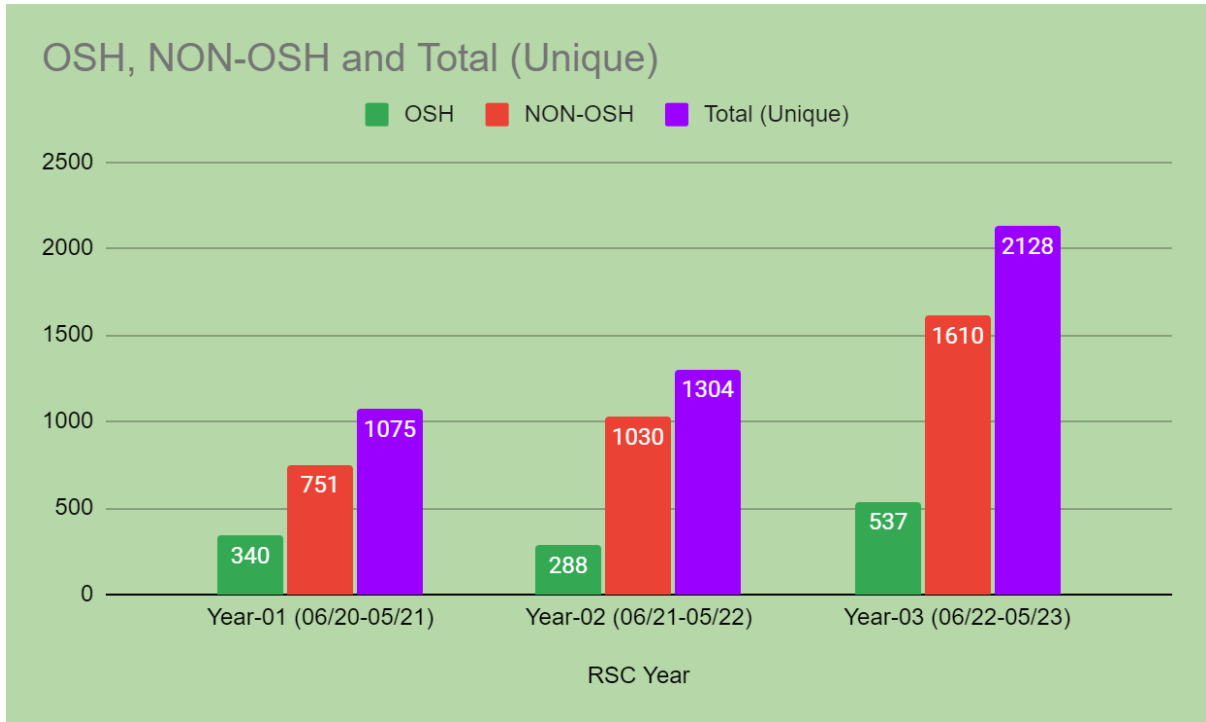


Figure 11: Complaints Mechanism accumulated data update as of 31 May.



