

SEPTEMBER - NOVEMBER 2022

QUARTERLY AGGREGATE REPORT 3.2

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





QUARTERLY AGGREGATE REPORT 3.2

September to November 2022

We value your feedback on this document.

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

DELIVERING WORLD-CLASS SUSTAINABLE WORKPLACE SAFETY PROGRAMMES

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, 1,659 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 1 September 2022 to 30 November 2022.

The RSC is currently covering 1,708 factories in Bangladesh. There are some 990+ factories who are designated as CAP behind schedule with a slow progress rate. The RSC is proactively 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 35 more factories. A total of 472 factories have been issued with LoR since the inception of the RSC. In order to ensure factories are safe it is imperative that the remaining remediation is completed to include all initial findings.



Workers in a ready made garment factory covered by RSC

KEY MILESTONE

INSPECTION

1. The "ICU Deep Dive" programme aims to investigate and understand any potential for improvement that will help factories to achieve 100% initial CAP completion. The programme is inspired by a continuous improvement cycle (plan-do-check-act). During the reporting period, the RSC conducted 100% initial CAP pending verification inspection (Category 2A inspection) at 56 factories (September 2022: 11 factories, October 2022: 18 factories, November 2022: 27 factories). Under the ICU Deep Dive programme, RSC is closely working with 46 factories to support them in getting the LoRs, refer to the figure below:

ICU DEEP DIVE

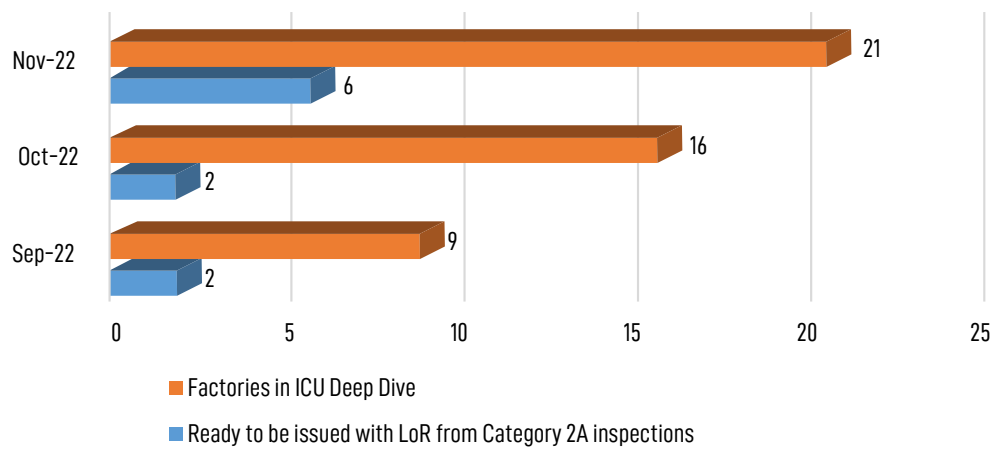


Figure 1 ICU Deep Dive update from 1 September 2022 to 30 November 2022

2. A total of 16 factories from all category inspections were issued with the Letter of Recognition (LoR) in this quarter (9 factories in September 2022, 4 factories in October 2022, and 3 factories in November 2022) refer to the figure below:

FACTORIES ISSUED WITH LoR FROM ALL CATEGORIES

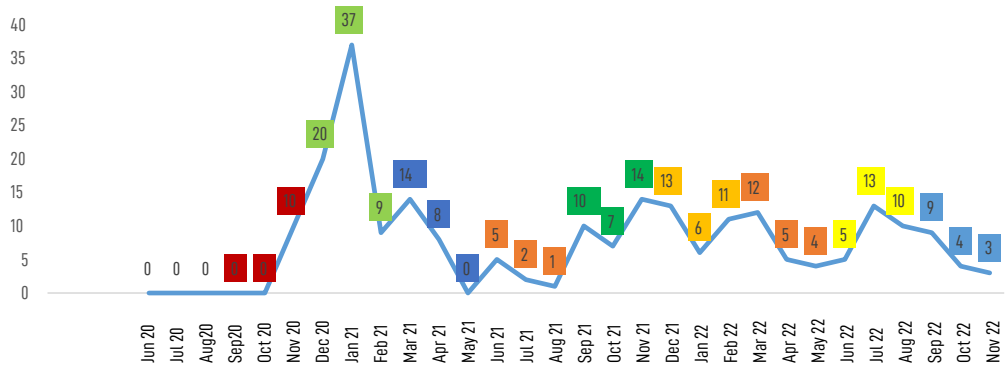


Figure 2 Factories issued with LoR from all category inspections following the Inspection Priority Categorisation table.

- 3. 1,230 inspections were performed in 1823 factories in this reporting period.
- 4. 120 factories were listed and scheduled for initial inspection.

ENGINEERING

- 1. 71.0% of required (D)EA documentations were accepted through on-site verification.
- 2. 901 factories have completed structural retrofitting required remedial works were finalised based on (D)EA.
- 3. 38.15% Electrical SLDs were accepted among reviewed.
- 4. 90.0% covered factories received FADS design approval.
- 5. 89.44% covered factories received SUPS design approval.
- 6. 378 covered factories have their fire alarm and detection system verified as installed to standard.
- 7. 241 covered factories have their fire suppression system verified as fully functional and installed to standard.

REMEDIATION

- 1. 77.0% RSC covered factories have their initial remediation progress rate above 90%.
- 2. 379 factories were De-escalated, 318 factories were escalated to Stage 1, 168 factories were escalated to Stage 2, and 4 factories were escalated to Stage 3.

SAFETY COMMITTEE & SAFETY TRAINING (SCST) PROGRAMME:

101 factories completed training sessions number 8.

OCCUPATIONAL SAFETY & HEALTH COMPLAINT MECHANISM (OSHCM):

- 1. 468 new complaints were received.
- 2. Total 333 COVID-19 related complaints



Occupational Safety & Health Complaint Mechanism (OSHCM)

OVERALL STATUS OF RSC

Under the terms of the RSC, companies sourcing fashions from Bangladesh disclose all their RMG supplier factories and, on a voluntary basis, their home textiles and fabric & knit accessory suppliers in Bangladesh. All factories listed to RSC via FFC, receive initial and periodic follow-up inspections to monitor and verify remedial measures, refer to the table below:

FACTORIES AS OF 31 AUGUST 2022

Covered factories	
Inspected	1,230
Recently listed and scheduled for initial inspection	30
Total covered factories	1,690
Factories no longer covered	
Closed	200
Relocated	168
Made ineligible for business with International Accord company signatories	201
Out of scope of the Accord/RSC programme	75
Total factories no longer covered	658
Total factories inspected or scheduled for initial inspections	2,358

Table 1 Total RSC covered and not-covered factories up to 30 November 2022

RSC covers 1,708 factories with the status as noted below:

- 1,358 factories are 'active', meaning that at least one Accord signatory company is actively sourcing from there.
- 13 factories are 'inactive responsible', meaning that at least one Accord signatory company signatory was sourcing from there within the last 18 months.
- 220 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.
- 72 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.

1.1. INSPECTION:

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.

1.2. RESUMPTION OF INSPECTION

RSC communicated with the factory owners/management that RSC will only conduct inspections at factories that provided pictorial evidence of adequate COVID-19 measures to protect workers and the RSC engineers from COVID-19 infections. After getting confirmation from the factories on their COVID-19 preventative measures, the RSC conducted following inspections.

Types of inspections	1 Sep 2022 to 30 Nov 2022
Initial Inspections (all scopes)	31
FUIs Fire	265
Boiler Safety inspections	98
Escalation	7
Immediate Concern	0
Post Incident	28
SCWT Finding	0
Specific Issue	1
DEA	99
T&CVI	994
Total Inspection Conducted	1,230
Nr Unique Factories Inspected	650

Table 2 Total inspections conducted from 1 September 2022 to 30 November 2022

1.3. ICU DEEP DIVE

The "ICU Deep Dive" programme aims to investigate and understand any potential for improvement that will help factories to achieve 100% initial CAP completion. The programme is inspired by a continuous improvement cycle (plan-do-check-act).

In addition to the general process, the RSC engineers applied several new steps under the "ICU Deep Dive" programme. The new steps included a detailed review of the CAP with an action plan that is then jointly dispatched to the factory management; and a phone call by the assigned Remediation Case Handler (RCH) to obtain information related to difficulties that the factory management are facing in terms of remediation. In addition, factory managements are encouraged to communicate with the RSC engineers to clarify any confusion and misunderstanding or knowledge gaps regarding the individual remediation requirements. The following is the snapshot of the result derived from the ICU Deep Dive since September 2020:

ICU DEEP DIVE (100% INITIAL CAP COMPLETION VERIFICATION LEADING TO LETTER OF RECOGNITION)

Total number of factories covered in ICU deep dive and received better CAP ¹ :	46
Total number of factories ready to be recognised:	10
Up to May 2020, total number of Letter of Recognition issued:	275
Since RSC (June 2020 to November 2022):	231
231 Total (through the inspection & remediation since 2013 to November 2022):	506 ²
Recognition Letter increased (from last quarter):	12

IMPROVEMENT THROUGH ICU DEEP DIVE PROGRAMME

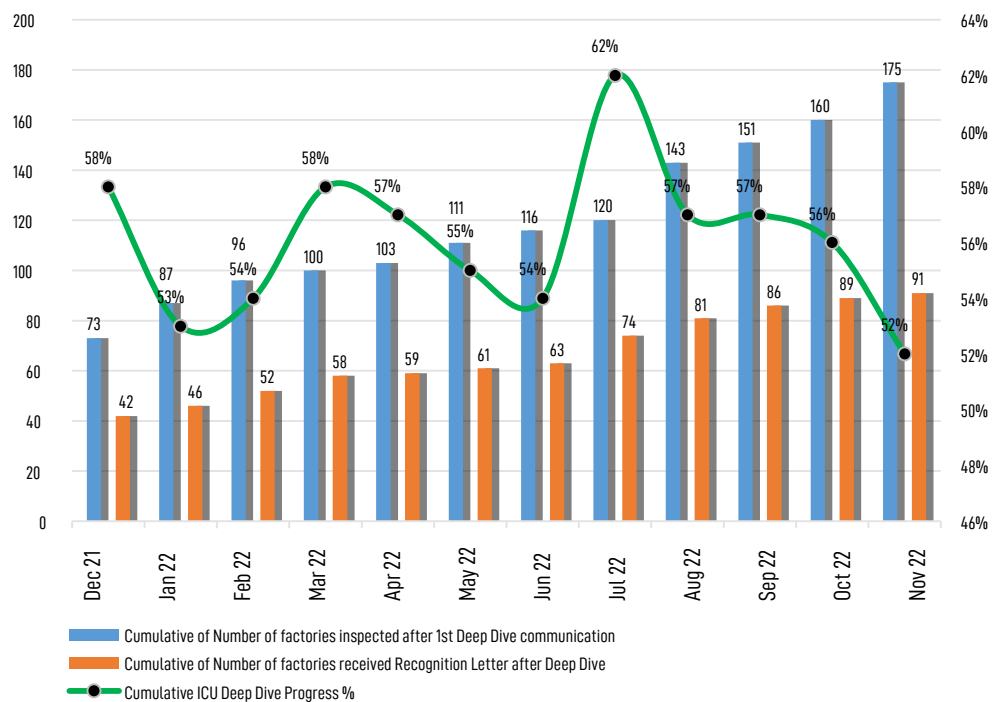


Figure 3 Improvement through ICU Deep Dive Programme during RSC period up to November 2022

While calculating the overall progress of the ICU Deep Dive Programme, the RSC is considering all the factories that received a second initial 100% verification inspection after ICU Deep Dive communication. The current number indicates that 175 factories previously received Deep Dive communication and received a second initial 100% verification inspection from September 2020 to November 2022. The number of factories received LoR after ICU Deep Dive is 91. The 91 LoR represents that out of these 175 factories, 91 factories were able to correct all the initial CAP items during the second initial 100% verification inspection,

1. Better CAP: Active, Solution Driven, Action Oriented & Concise action plan
 2. Since the Accord term to the RSC, total of 472 factories were issued with Letter of Recognition. As of November 2022, total of 450 factories are in CAP designation as Initial CAP completed. The difference of 25 factories indicates that these factories got Closed or Archived after the LoR was issued.

which brings the total programme success rate to 52%, (see the figure). The above figure is a cumulative representation of ICU Deep Dive communication and second inspection. The second inspection is following better communication and as expected the LoR pass rate went higher after the second inspection. This indicates that the ICU Deep Dive programme is supporting the remediation process at a faster rate (see the table of Inspection Priority Categorisation). The Category 2A inspection or 100% initial CAP pending verification inspections are conducted at factories that reported their FADS/SUPS as already 'Corrected' or ready for full 'T&CVI/Final verification', and Structural remediation completed or ready for Retrofitting Verification. In some cases, some factories reported their CAP items as Corrected. However, the items were not found fully Corrected during the onsite Category 2A inspection.

Factories often find it challenging to remediate the following type of CAP items:

- CAP items related to Fire Alarm and Detection System (FADS)
- CAP items related to Fire Suppression System (SUPS)
- CAP items related to Fire Separation
- CAP items related to Passive Fire Protection to Steel Structure
- CAP items related to Single Line Diagram (SLD)
- CAP items related to Structural Retrofitting

As most of the CAP require significant investment depend on factory consultants' initiatives, the progress of CAP items are often found slow and require multiple verification inspections by the RSC.

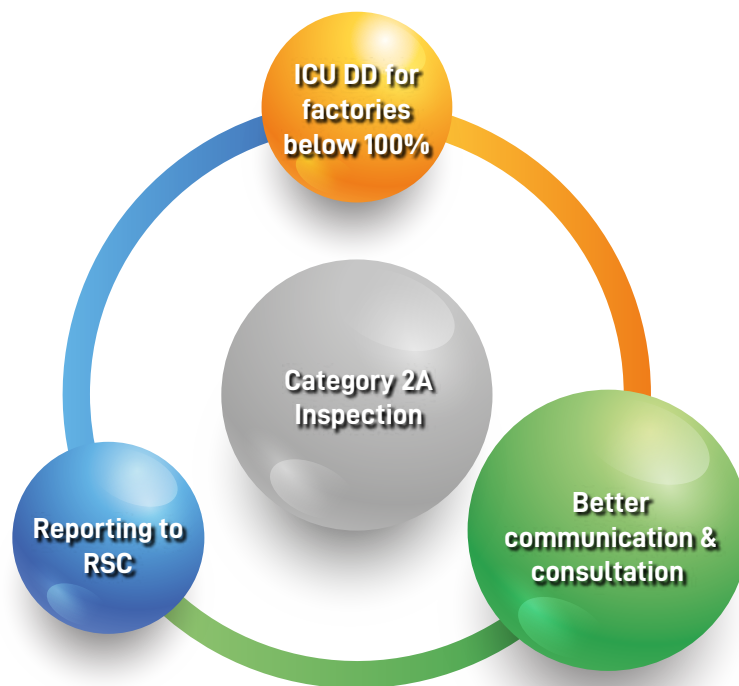


Figure 4 ICU Deep Dive PDCA cycle for Recognition

We have learnt that to the success on this depend on:

- Improved communication & consultation by the RSC during design review and associated follow-up inspections to resolve un-remediated CAP items,
- Initiatives by the factory management and their engineering teams,
- Continuous improvement cycle (see below the ICU Deep Dive PDCA (plan-do-check-act) cycle for Recognition).

1.4 INSPECTION PRIORITY CATEGORY TABLE

The RSC is committed to inspecting each covered factory after certain intervals to make sure the remediations are on track and immediate life-threatening issues are remediated by the factories. This caused RSC to improvise and come up with the inspection priority categorisation. Inspection priority categorisation aimed to make sure that all the covered factory gets the RSC inspection fairly & focus on the cases that need the RSC's most attention. With time the RSC inspection process has been constrained by the COVID-19 outbreak and strictly enforced lockdown across the country in recent months, many factories and associated Brands are keen to receive inspections to verify the remediated CAP items. Categrisation Table was introduced in September 2020 and revised in August 2021.

That is why, the Inspection Priority 2021, based on with the RSC continues scheduling inspections. Please see the below inspection prioritisation table:

Inspection Priority Category Table	
1	Inspections related to Industrial Accidents and Safety Concerns
2A	Potential 100% Initial CAP completed: Factories ready for recognition: 100% initial CAP pending verification, FADS/SUPS already corrected or ready for full T&CVI/Final verification and Structural remediation completed or ready for retrofitting verification
2B	(Potential 100% CAP completed factories) 100% Initial verified & completed; all new findings are in Pending Verification
3A	Factories ready for pre-T&CVI
3B	Factories ready for full T&CVI, but not at 100% PV
4	Factories with key remediation outstanding/major delay: In Stage 1 with PV items, in Stage 2 where all NC timelines have passed, Special Escalation Inspections, and factories with Immediate issues outstanding (IP) or Safe Egress issues outstanding (IP)
5	Initial inspections
6	Structural priority factories: waiting for DEA verification, waiting for retrofitting verification, structural evacuation cases, or Structural items PV and Document status is Accepted
7	Other special inspections: FRF, OSH complaints/verification
8	Factories in linked buildings, compounds, or extensions to other priority factories
9	(Follow-Up Inspection) Factories that are waiting for RSC inspection for more than 365 days (RSC period) from their last inspection
10	(Business order issue) Factories that have been reported to the RSC as those brands are not placing business orders due to the unavailability of a recent RSC inspection

Table 3 Inspection Priority Category Table as of November 2022

1.5. STRUCTURAL

The initial structural inspection is limited to what can be observed during a 1-day visual inspection of the building.

Design Approvals and Technical Support

The RSC engineers review submitted designs, technical information, calculations, and any other relevant information in order to determine if the proposals are compliant with associated legislation and standards. Where the designs are non-compliant a written response is provided indicating areas of non-compliance in order that the designs can be amended accordingly. Where the design is compliant with appropriate legislation and standards, written confirmation is provided on the acceptance of the design prior to commencement of the remedial works.

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)EAs are conducted by structural engineers or consultants hired by factories and submitted to the RSC for review. Once the (D)EAs are accepted, the factories are required to complete the structural remediation and retrofitting work.

1.5.1. FACTORIES REQUIRING (DETAILED ENGINEERING ASSESSMENTS (D)EAS

- (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 pending review - The factory has submitted their (D)EA and the RSC is in the process of reviewing it.
- (D)EA accepted, pending on-site verification - The RSC has reviewed and accepted the (D)EA based solely on the documentation submitted as part of the (D)EA. The RSC 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 - All required (D)EA documentation has been accepted and verified by the RSC to be in alignment with the physical building(s). Structural retrofitting can commence (D)EA partly accepted, partly pending submission by factory/review - The RSC 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.
- (Detailed) Engineering Assessments {(D)EAs} for structural remediation.

(D)EA Status as of 30 November 2022	
Factories where conducting a (D)EA is required	1,624
Pending submission by factory	115
Pending review	35
Accepted, pending on-site verification	45
Fully accepted i.e., on-site verification revealed alignment between (D)EA documentation and the physical building(s)	1,322
Partly accepted, partly pending submission by factory/review	115

Table 4 Overall (D)EA status as of 30 November 2022

Monthly (D)EA/Supportive Documents Update

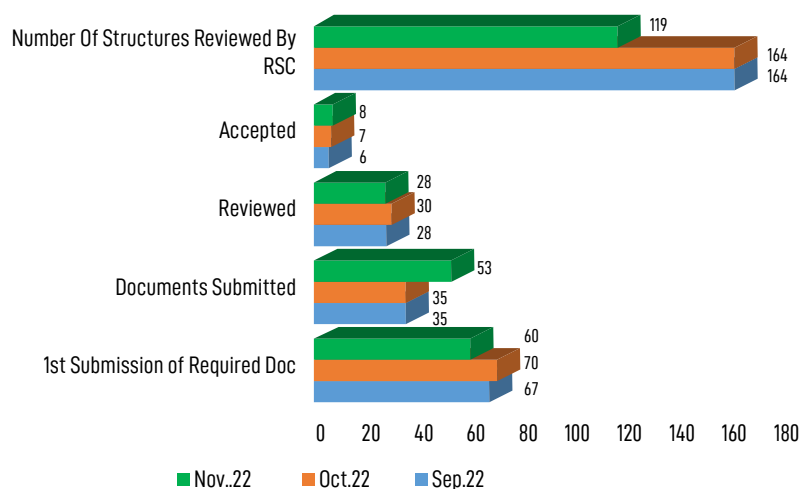


Figure 5 (D)EA/Supportive documents update of September 2022, October 2022, November 2022

During this reporting period, the monitoring of the number of structures reviewed in factories and the number of first submissions of documents required were continued as introduced in the third quarter of the RSC.

For the reporting period, 81.0% of required (D)EA documentations were fully accepted through on-site verification up to 30 November 2022

1.6. ELECTRICAL

The initial fire and electrical inspections are scheduled on the same day and take approximately one full business day to complete.

Required Approvals and Technical Support

The RSC engineers review submitted designs, technical information, calculations, and any other relevant information in order to determine whether the proposals are compliant with associated legislation and standards. Where the designs are non-compliant a written response shall be provided indicating areas of non-compliance in order that the designs can be amended accordingly. Where the design is compliant with appropriate legislation

legislation and standards, written confirmation shall be provided on the acceptance of the design prior to the commencement of the remedial works. Design reviews shall be carried out for the following:

1.6.1. WHY SLD IS REQUIRED

- Eliminate hazards from the system (fire-hazards, shock-hazards)
- Load analysis
- Maintenance
- Periodical testing
- Root cause identification of electrical hazards
- Ensuring electrical safety at the workplace
- Fault analysis

Monthly Electrical SLDs Update From(Sep 2022 to Nov 2022)

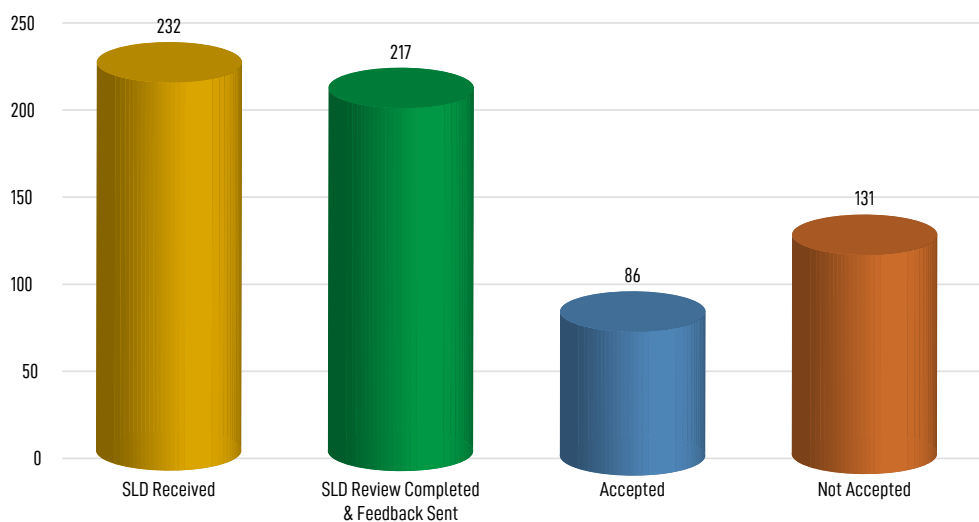


Figure 6 Electrical SLD update of September 2022, October 2022 & November 2022

- Total Electrical SLDs reviewed till 30 November 2022: 5,590
- Total Electrical SLDs accepted till 30 November 2022: 2,268

1.7 FIRE

The initial fire and electrical inspections are scheduled on the same day and take approximately one full business day to complete.

Required Approvals and Technical Support

The RSC engineers review submitted designs, technical information, calculations, and any other relevant information in order to determine whether the proposals are compliant with associated legislation and standards. Where the designs are non-compliant a written response shall be provided indicating areas of non-compliance in order that the designs

can be amended accordingly. Where the design is compliant with appropriate legislation and standards, written confirmation shall be provided on the acceptance of the design prior to commencement of the remedial works. Design reviews shall be carried out for the following:

- Designs, Calculations, Specifications, Listed Components and drawings of the Fire Detection and Fire Protection Systems (fire alarm, sprinkler, standpipe, hydrants)

1.7.1. FACTORIES REQUIRING FIRE DESIGN AND DRAWINGS

The Fire & Life Safety inspections at the factories 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 for review and acceptance prior to installation of the system to ensure they meet the required standard. Prior to 1 June 2020, the Accord CSI was responsible for the review and approval of the fire systems' design and drawings; starting from 1 June 2020, this process has become the responsibility of the RSC CSO.

FADS & SUPS design documents status as of 30 November 2022	Fire Alarm and Detection System (FADS)	Fire Suppression System (SUPS)
Factories where FADS/SUPS is required	1,580	1,303
Pending Submission	90	115
Pending Review	75	79
Accepted	1,460	1,150
% of Acceptance in total	91.12%	88.29%

Table 5 Overall status of FADS & SUPS design documents up to 30 November 2022

FADS & SUPS design documents status (Sep 2022 to Nov 2022)

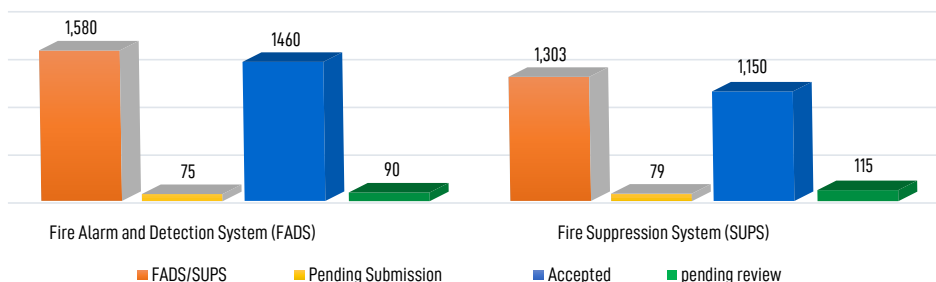


Figure 7 FADS & SUPS design documents update from September 2022 to 30 November 2022

1.7.2 Status of Installation of Fire Detection and Suppression Systems

Once the fire systems' design is accepted, covered factories are required to follow the steps described below:

1. Commence the installation of the fire system(s):

Components of the fire detection and protection systems can be installed by using local components/materials, which are available immediately, where supporting evidence is

provided that confirms that they are compliant with relevant standards and tested and certified accordingly by a third-party accredited independent testing laboratory. For example, compliant cabling, the conduits, the pipes, and fittings of a sprinkler system can be purchased locally and installed whilst waiting for the imported components 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 the engineers to determine whether the factory is ready for a fully 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, the engineers conduct the T&CVI of both the fire detection and alarm system and the fire sprinkler system during the same inspection at the factory.

FADS & SUPS installation status up to 30 November 2022	Fire Alarm and Detection System (FADS)	Fire Suppression System (SUPS)
Factories where the fire system has been verified as adequately installed to standard and fully functional	380	241
Factories pending a Final Verification Inspection	59	26
Factories pending Testing & Commissioning Verification Inspection (T&CVI)	175	145
Factories at the stage of pre-T&CVI on-site documentation & equipment review	335	124
Factories where the installation of the system is ongoing	617	567
Factories where the installation is yet to commence	65	70

Table 6 FADS & SUPS installation status up to 30 November 2022

1.8. BOILER

BOILER SAFETY ENGINEERING (BSE) HIGHLIGHTS:

- Unique data management system designed to track boilers in covered factories.
- Technical Guidelines for Boiler Inspection prepared and approved.
- The "Technical Guidelines for Boiler Inspection" shared with the Chief Inspector of Boilers (CioB)

Between 2018-2020, a Pilot Boiler Safety Programme at the covered factories, and initial boiler safety inspections conducted at 20 factories revealed significant boiler safety hazards, including non-compliant or missing boiler components/parts and a lack of certification. The boiler safety findings have been included in the factories' CAPs. 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. The RSC's Boiler Safety Programme was launched in December 2020 as an integrated part of the RSC's inspection programmes. The RSC Boiler Safety engineers conducted boiler external visual inspections at 92 factories (September 2022: 33 factories, October 2022: 31 factories, November 2022: 28 factories) in this reporting period.

2. TEMPORARY EVACUATION

FACTORIES REQUIRING TEMPORARY EVACUATION

Factory buildings are required to (temporarily) evacuate, if the initial or follow-up inspections

revealed a severe and imminent risk of structural failure or severe electrical and fire hazards.

During a structural assessment if the RSC engineer(s) find an immediate threat to the occupant of the factory building, then RSC could recommend immediate partial/full evacuation for the factory building. In the months of Sep 22, Oct 22, Nov 22, the RSC didn't recommend partial or full evacuation to any of its covered factories.

3. REMEDIATION

The completion of safety remediation at the 1,700+ (approximately) factories are monitored through approximately 380 follow-up inspections each month, involving RSC engineers. Each factory is inspected approximately once in every eight months.

3.1 DESIGNATION

Factory Designations among 1,708 RSC covered factories:

- CAP Behind Schedule: The CAP is in implementation, but one or more timelines have not been met.
- CAP On rack: The CAP is in implementation and all timelines have so far been met.

- Initial CAP completed: All issues identified in the Accord/RSC initial inspections have been verified as corrected by the RSC.
- CAP not implemented: We will address the and ensure that CAP is implemented promptly.
- CAP Pending/CAP not finalised: The CAP is either incomplete, absent, or not yet approved by the RSC.

CAP Designation	Sep-22	Oct-22	Nov-22
CAP behind schedule	1,040	1,050	990
CAP on track	180	170	170
Initial CAP completed	405	435	420
CAP not implemented	222	220	220
CAP Pending/CAP not finalised	65	70	72

Table 7 CAP status from September 2022 to November 2022

The vast majority of factories behind schedule is a cause for concern to the RSC. 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 RSC remains vigilant in accelerating the pace and level of remediation at the large number of covered factories where execution of the remediation is inadequate or too far behind schedule.

3.2 NUMBER OF COVERED FACTORIES IN PROGRESS RATE CATEGORIES

NB: only includes factories with a technically approved CAP

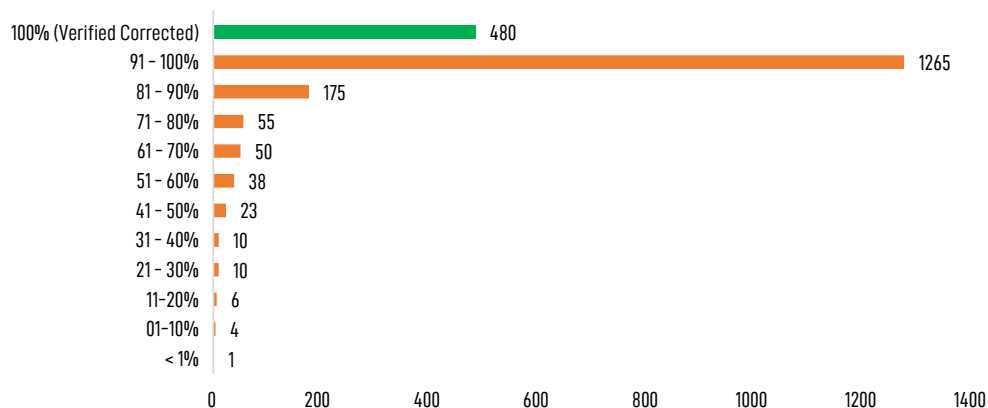


Figure 8 Status of initial remediation at covered factories as of November 2022 (with an approved CAP)

3.3 REMEDIATION STATUS OF ORIGINAL/INITIAL & NEW SAFETY FINDINGS (IN 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 "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 /o
- Original/Initial findings/issues: Findings from the RSC Initial inspections.
- New findings/issues: Findings from RSC follow-up inspections.

3.3.1 INITIAL FINDINGS

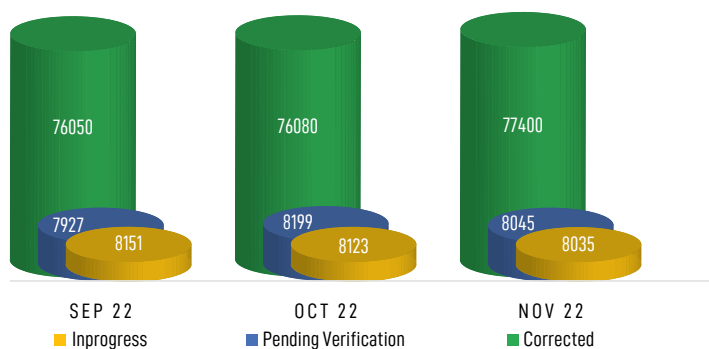


Figure 9 Initial issues/findings status from September 2022 to November 2022

3.3.2 NEW FINDINGS

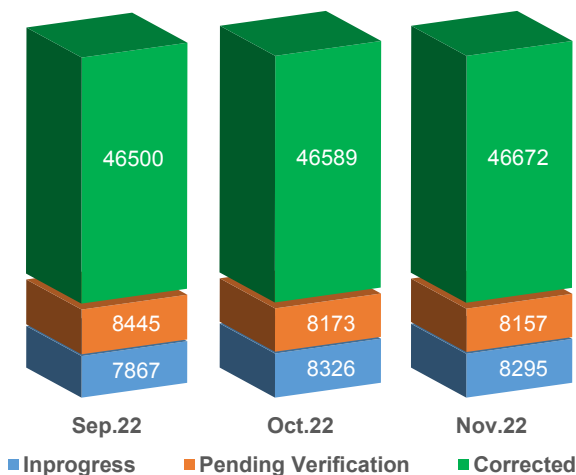


Figure 10 New issues/findings status from September 2022 to November 2022

3.4. PROGRESS AND COMPLETION RATES OF COMMON REMEDIATION ITEMS

Most of the findings that are reported in published CAPs are common to many factories. The RSC tracks the total number of findings³ by categories and subcategories. The structural, electrical and fire categorisation allows for further analysis of the most common safety hazards across all the factories inspected under the RSC prescribed Safety Programme.

3. The changes of the findings number in quarters vary on changes of the covered factory number, as-built design documents modifications, etc.

3.4.1 STRUCTURAL

Status of most common Structural findings at covered factories and Remediation Progress rate:

Factory update with the issue status

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	980	70	94%
Inconsistency with building plan and drawings	1038	97	91.11%
Incorrect implementation of existing load management plan	875	55	92%
Lack of design check against lateral load	730	87	90%

Table 8 Status of most common structural findings at covered factories up to 30 November 2022

3.4.2 ELECTRICAL

Status of most common Electrical findings at covered factories and Remediation Progress rate:

Factory update with the issue status

Findings	No. of factories where the finding was identified	No. of factories where the finding is still outstanding	Remediation progress rate
Lockable/collapsible gates	1290	12	97%
Inadequate egress lighting	1320	45	85%
Lack of fire separation in hazardous areas	1230	95	64%
Non-compliant exit stair openings	1201	190	65%
Storage in means of egress	1001	270	93%

Table 10 Status of most common fire findings at covered factories up to 30 November 2022

1. REMEDIATION FUND

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

4 conducted by the RSC. Applications for FRF from 21 factories were approved⁴.

2. NON-COMPLIANT SUPPLIERS

Supplier factories failing to participate in the safety programme prescribed by the legally binding 2018 Transition Accord agreement between Global Brands and Unions, go through a notice and warning (Escalation) procedure under Article 16 of the 2018 Accord, and Article 24(q) of the RSC's Articles of Association.

3. FACTORY ESCALATIONS

The Escalation Protocol includes three steps to be followed prior to terminating business with a supplier due to inadequate participation in the RSC programme. The decision to escalate any issue is based on the assessment of information received by the RSC. The Chief Safety Officer (CSO) may escalate for other reasons as he may determine. If an active or inactive supplier does not comply with the remediation requirements set by the RSC's CSO, the RSC must notify the relevant responsible Participating Companies, who will address the non-compliances in a step-by-step manner (Stage 1, 2 and 3) using the RSC's Escalation Protocol. If a no-brand factory requires escalation to Stage 1, 2 or 3 for failure to cooperate with the RSC inspections programme, the RSC will send the Non-Compliance Letter (NCL) to the no-brand factory and will record the applicable stage of escalation in FFC. A factory may be issued multiple non-compliance letters (NCLs) for failure to meet various RSC requirements at different times. A factory will be removed from the escalation process (de-escalated) if they have addressed all the issues identified in the NCLs.

If the requirements are not met, the factory is escalated to stage 3 and signatory companies terminate their business relationship with this factory. In accordance with the Memorandum of Understanding (MoU) signed between the Accord Steering Committee and the BGMEA on 8 May 2019, stage 3 of the Accord Escalation Protocol has been complemented by the withdrawal/suspension of the Utilisation Declaration (UD) - which is mandatory to export apparel from Bangladesh, of non-compliant factories by the BGMEA/BKMEA. 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/BKMEA within four weeks of escalation to Stage 3, Accord signatory companies will be required to terminate their business relationship with all factories

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

under the same ownership with the non-compliant factory. Prior to the signing of the MoU, the Escalation Protocol applied to all RMG companies controlled by the same group owner and was not contingent on UD withdrawal / suspension (failure thereof) at the non-compliant factory.

The RSC continues to implement escalation procedures consisting of three stages as follows:

1. A notification of non-compliance (Escalation Stage 1)
2. A notice and warning letter (Escalation Stage 2)
3. Ineligibility for business relationship with Accord signatory companies (Escalation Stage 3)

Examples of factory non-compliance that trigger the implementation of the escalation procedure include but not limited to:

1. Refusal to temporarily evacuate the factory,
2. A lack of progress in finalising corrective action plans or executing required safety renovations,
3. Refusal to resolve worker complaints on safety issues,
4. A lack of cooperation with RSC trainers, case handlers and engineers,
5. Submission of design documentation including FADS, SUPS, (D)EA, SLD etc.
6. Delay in completion of retrofitting work,
7. Inspection access denial,
8. Failure to comply with closure & relocation protocol

Escalation status	Up to 30 November 2022
De-escalated	354
Stage 1	515
Stage 2	130

Table 11 Factory Escalation status up to 30 November 2022

The factories which are escalated to Stage 3 are made ineligible as they no longer are eligible for Accord signatory company's production for a minimum period of 18 months and until the conditions for re-qualification have been met Safety Committee & Safety Training Programme.

4. SAFETY COMMITTEE & SAFETY TRAINING PROGRAMME

Facilitation of Safety Training

The RSC Safety Committee and Safety Training (SCST) Programme currently consists of 8 training modules conducted through 8 sessions for the members of the factory Safety Committee. The training sessions address the Safety Committee's role in identifying and remedying safety and health hazards, handling safety and health-related complaints, and improving communication and joint problem-solving skills. One of the important areas of the training programme is to educate workers and management on the rights and entitlements related to Freedom of Association in relation to protecting their own safety.

As part of the training programme, the Safety Committee and the RSC OSH Training Programme Specialist conduct WALK-THROUGH(WT) (a type of inspection) at the factory to identify actual or any potential safety and health hazards. The factory Safety Committee monitor and negotiate with management on the remediation of the safety issues identified during the WTs.

The roles of Safety Committees (SC) include:

- Conducting safety checks (walk-throughs) at the factory 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 the workers,
- Conduct meetings regularly, at least once every three months.

The Safety Committee and Safety Training (SCST) Programme 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 Programme and to agree on all the all-employee meetings' dates,
2. 8 Sessions Safety Committee Training Programme including the Safety Committee's role in remediation, complaints handling, joint problem solving, hazard identification and safety monitoring systems.

Status of Safety Training Programme at covered factories up to 30 November 2022	Number of factories
Factories completed the training	101
Covered factories are yet to commence the training	232
Factories where the training commenced but has been put on hold for various reasons ⁵	110 ⁶

Table 12 Status of Safety Training Programme at covered factories up to 30 November 2022

5. Various reasons include factories undergoing the closure/relocation procedure, labour disputes, or ongoing legal proceedings.

6. Active, Inactive Responsible, Pending Closure factories are included.

Quarterly Data For RSC OSH Training Department

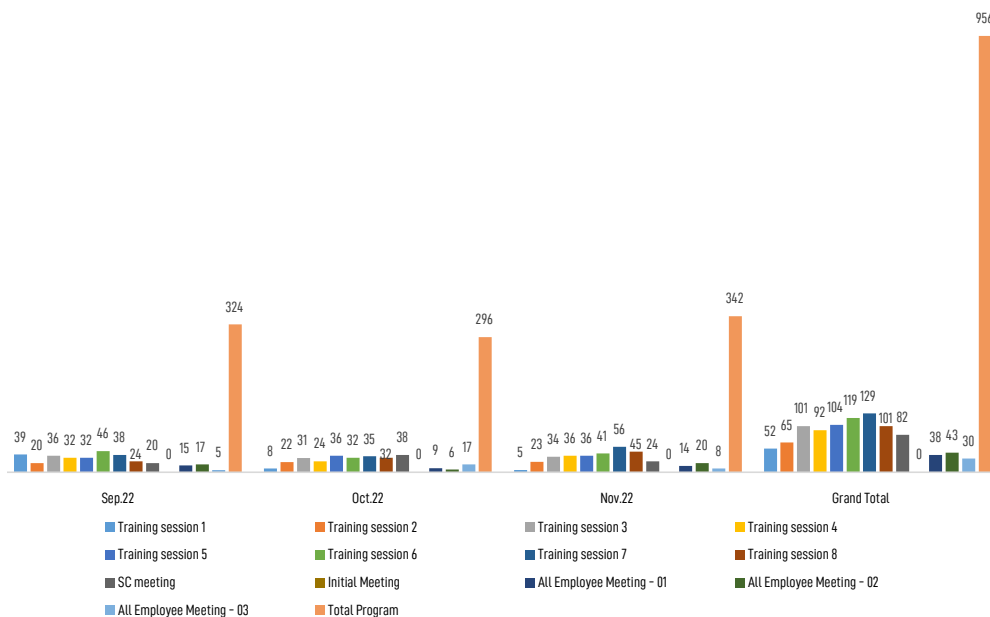


Figure 11 SCST update from 1 September 2022 to 30 November 2022

- The RSC has resumed All Employee Meeting and Training sessions including SCWT sessions in January 2022.
- Safety Committee Walk Through (SCWT) conducted 4856 sessions.

4.1 INITIATIVES FOR THE SCST PROGRAMME (SEPTEMBER 2022 TO OCTOBER 2022)

The RSC has taken initiatives to provide posters of (i) RSC Helpline complaint number (ii) COVID-19 safety awareness graphics poster. The RSC Trainers ensure these posters are posted on the prominent places at the factory.



SCST programme (September 2022 to October 2022)

5. OCCUPATIONAL SAFETY & HEALTH COMPLAINTS MECHANISM

Workers at covered factories and their representatives can raise their concerns about safety and health risks safely and confidentially, through the Occupational Safety & Health Complaints Mechanism (OSHCM).

Starting 1 June 2020, the OSHCM is being operated by the RSC. Brand Signatory companies and Union Signatories are required to ensure that, through the RSC, the OSHCM continues to provide effective remedy to workers, independently and autonomously. This being a key part of the core objectives of the RSC as detailed in section 1.1 bullet point 8.

During the course of investigation, RSC complaint mechanism handlers determine remediation requirements in regard to safety and health. The RSC works with complainants and Factory Management to ensure that the requirements are fully and smoothly implemented. If the Factory Management does not comply, the RSC will implement a notice and warning process leading to termination of the business relationship if no progress is being made.

Workers in the RSC covered factories have the following rights:

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

Status of OSH complaints up to November 2022	Number of OSH complaints
Total OSH complaints received by the Accord/RSC	2,065
Total OSH complaints in progress	47
Total OSH complaints resolved by the RSC	393

Table 13 OSH Complaints status up to 30 November 2022

RSC PERIOD (1 JUNE 2020 – 30 NOVEMBER 2022)

Complaint Mechanism	Sep-22	Oct-22	Nov-22
No. New Complaints	145	92	131
No. New OSH Complaints	36	53	42
No. New Non-OSH Complaints	112	143	91

Table 14 Complaints Mechanism update of September 2022, October 2022 and November 2022



RSC QUARTERLY AGGREGATE REPORT 3.2


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


PERIOD

September 2022 to November 2022

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