

RMG SUSTAINABILITY COUNCIL (RSC)

Monthly Update

DECEMBER 2022



December 2022

Delivering world-class sustainable workplace safety programmes

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Cover Photo: An image of a "Safety Committee Training" at a RSC covered factory.

RSC at a glance

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

Our expertise lies in:

- Fire, Electrical, Structural & boiler associated hazards identification in accordance with local & international standards.
- Advise remediation plans to mitigate safety risks.
- Communication & follow up on the identified issues & implement a firm warning procedure to ensure the production facilities do not fall behind on remediation.
- Ensuring enough training & capacity development of the safety committee members in the production facilities to identify & manage workplace safety risks.
- Ensure an independent complaints mechanism that ensures the anonymity of the complainant & 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.

MONTHLY UPDATE ON INSPECTION PROGRAMME

STATUS OF INSPECTION PROGRAMME (as of 31 Dec 2022)

This section represents the total number of inspections the RSC has conducted. The RSC inspection programme consists of Structural, Electrical, Fire & Boiler safety inspections. The RSC carried out **9,501** inspections during the RSC period starting June 2020 till 31 Dec 2022 (among a total of **55,326** inspections by the safety initiative since 2014).

- RSC engineers conducted **692** initial inspections during the RSC period among the total of **7,093** initial inspections.
- RSC engineers conducted **8,809** follow-ups and other safety inspections during the RSC period, including **48,233** follow-ups and other safety inspections.

Following the initial inspections, the factory and the Brands are tasked with developing a Corrective Action Plan (CAP), which details timebound remedial actions (based on the severity of the findings) for completion. Follow-up inspections are conducted to monitor the remediation and verify that corrective actions have been completed correctly. Each factory is inspected on average approximately once every four months.

1689 inspected RSC-covered factories, among which,

During the RSC period (from 1 June 2020 up to 31 Dec 2022)

- Initial inspections: **679**
- Follow-up inspections: 5487 (31.16% structural inspections, 37.58% electrical inspections, 31.26% fire inspections)

Total initial and follow-up inspections (since 2013 up to 31 Dec 2022)

- Initial inspections: **5067**
- Follow-up inspections: **35044** (22.69% structural inspections, 39.23% electrical inspections, 38.09% fire inspections)

Special and Verification inspections

In addition to regular follow-up inspections, RSC engineers also conduct special and verification inspections, including the following:

- **Testing & commissioning verification inspections (T&CVIs)** to verify that the installation of the fire detection and protection systems has been completed, as indicated by factories in their CAP. During this inspection, the engineers utilise specific guide sheets to ensure that all components of the system are functioning adequately. 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 the engineers to determine whether the factory is ready for a full functional T&CVI.

- **Negative suction noncompliance related inspections.** T&CVIs conducted in early 2018 revealed that approximately a third of covered factories had installed the pump of the fire protection/hydrant/sprinkler systems using negative suction, which is non-compliant with the RSC inspection standard (NFPA). RSC engineers have since conducted visits at the covered 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-a-vis the fire pump.

- **Boiler safety inspections.** Between 2018-2020 the Accord ran a Pilot Boiler Safety Programme at Accord-covered (now RSC-covered) factories. Initial boiler safety inspections conducted at 20 covered factories revealed significant boiler safety hazards, including non-compliant or missing boiler components/parts and a lack of proper certification. The boiler safety findings have been included in the factories' CAPs. Boiler safety is being integrated in the RSC's inspection and remediation program, which means that all covered factories will receive boiler safety inspections.

The safety remediation is no longer monitored at factories in the following cases:

- At supplier factories that have been made ineligible for business with Accord company signatories (RSC participating Brands) as a result of failure to participate in the RSC prescribed Safety Program.
- At supplier factories that are no longer covered under the RSC program and have been transferred to the Government of Bangladesh.

The engineering, training and complaints-handling teams often work together to ensure that factory owners complete the remediation and that newly found safety hazards are corrected under the supervision of the factory Safety Committee.

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. But during the COVID 19 pandemic (2020 & 2021), the RSC couldn't continue its field operations at a regular pace. 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.

That is why on 31 August 2021 the RSC Executive Committee approved 3 new inspection prioritisation categories based on which the RSC is scheduling inspection since 5 September 2021.

MONTHLY UPDATE ON SAFETY REMEDIATION

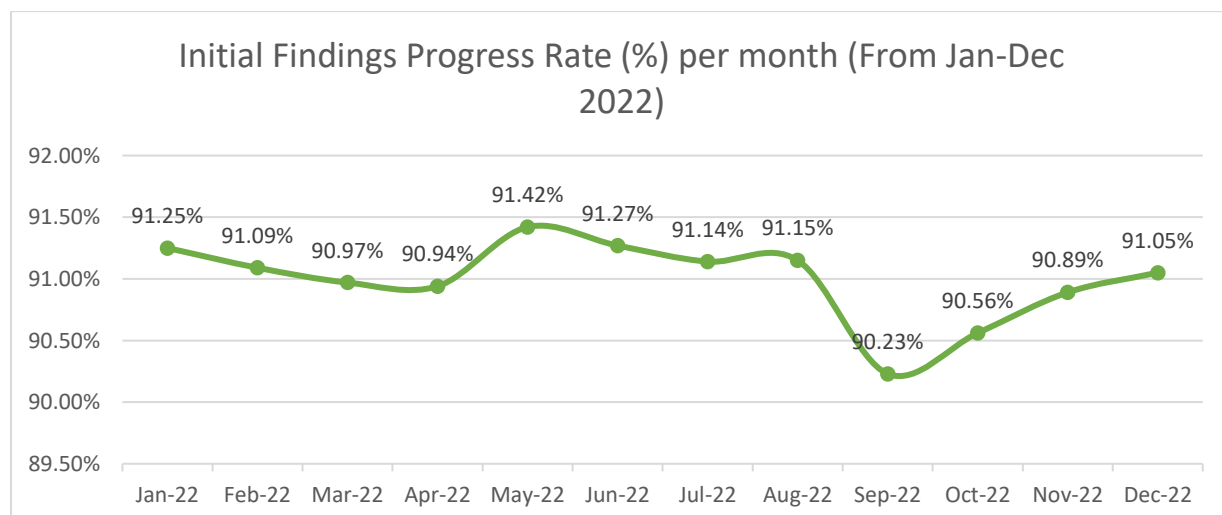
SAFETY REMEDIATION PROGRESS (as of December 2022)

Progress & completion rates of safety remediation at RSC covered factories:

- Total number of factories covered by the RSC is **1,818**.
- Among these **1,689** factories are inspected and **129** newly enlisted factories still remain to be inspected.
- **91,05%** initial remediation progress, overall including structure, electrical and fire.
- **493** factories completed the initial remediation.
- **>90%** initial remediation at **1,295** factories (802 factories excluding those that completed the initial remediation).
- **91.47%** covered factories received their Fire Alarm and Detection System design approval as part of the remediation plan.
- **88.11%** covered factories received their Fire Suppression System design approval as part of the remediation plan.
- **77.22%** factories completed structural remediation based on an Engineering Assessment as part of the remediation plan.

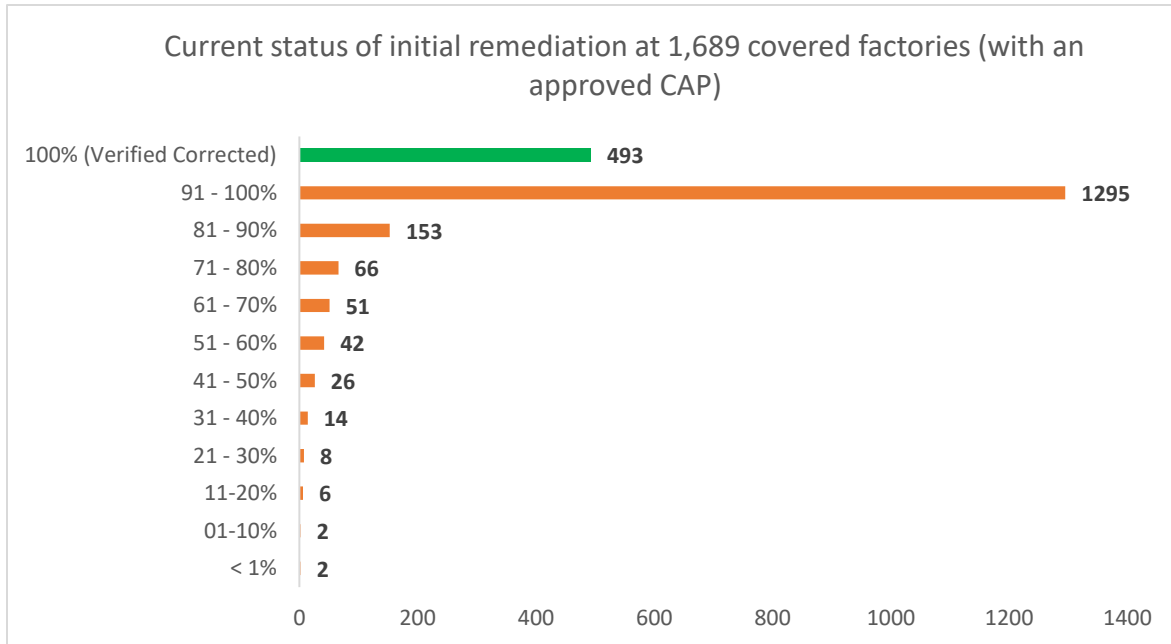
REMEDIATION PROGRESS OF SAFETY ISSUES IDENTIFIED DURING INITIAL INSPECTIONS (as of December 2022)

The following graph corresponds to the status of the overall initial progress rate since January 2022 to December 2022. It is to mention that the overall progress rate might fluctuate depending on the number of factories being covered, the inspection outcomes & updates received from factories.



STATUS OF INITIAL REMEDIATION AT RSC COVERED FACTORIES

The following graph shows the status of the current remediation progress of initial findings in the RSC covered factories (as of Dec 2022). Currently, the RSC is working with **1,818** factories. However, out of the total covered factories, **1,689** factories have been inspected during the reporting period. The rest of the factories (129) are yet to be inspected. Among the 1,689 factories, total **493** have completed 100% remediation.



The following charts below provide an overview of the status of **inspection findings** that are reported in the published Corrective Action Plans (CAPs).

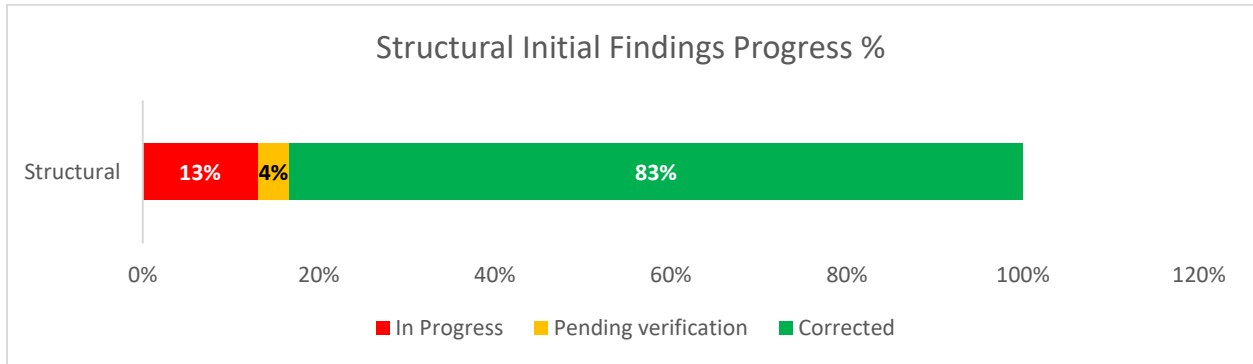
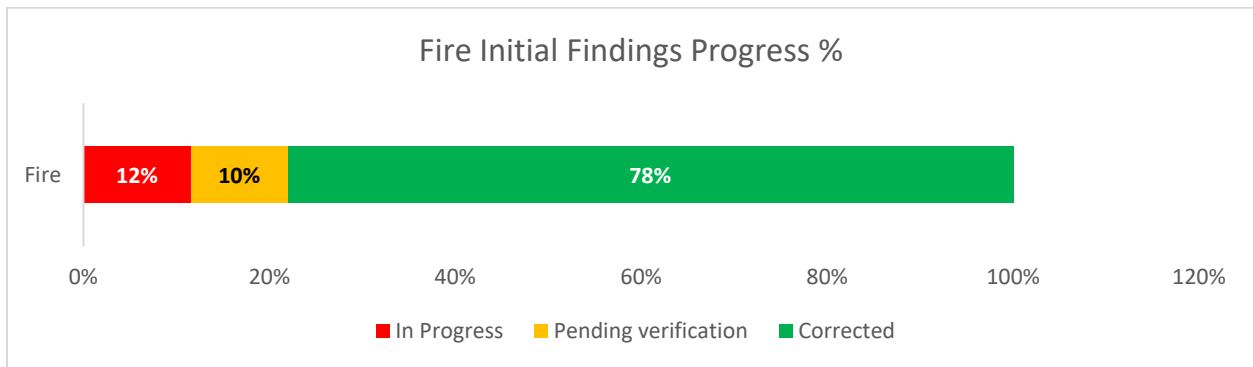
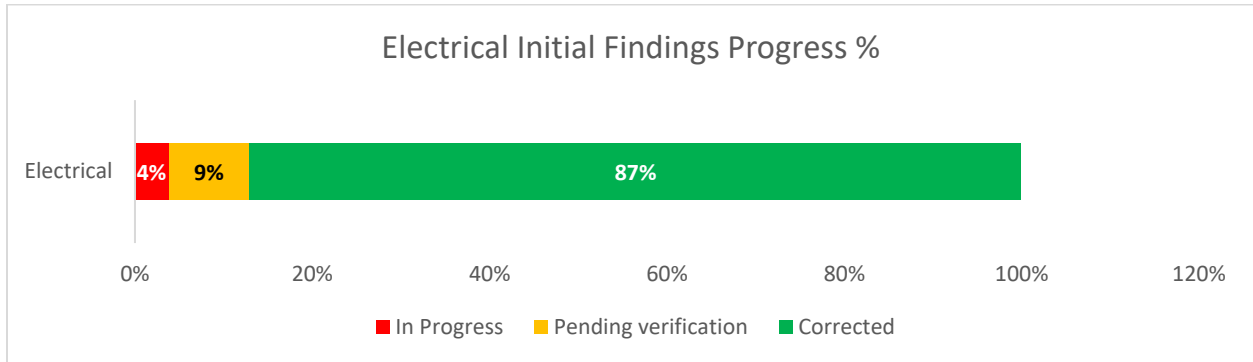
In progress: This is the default status for an inspection finding. It means that remediation of the inspection finding is underway.

Pending verification: The RSC has been informed that the finding has been corrected but the RSC engineers are yet to verify this.

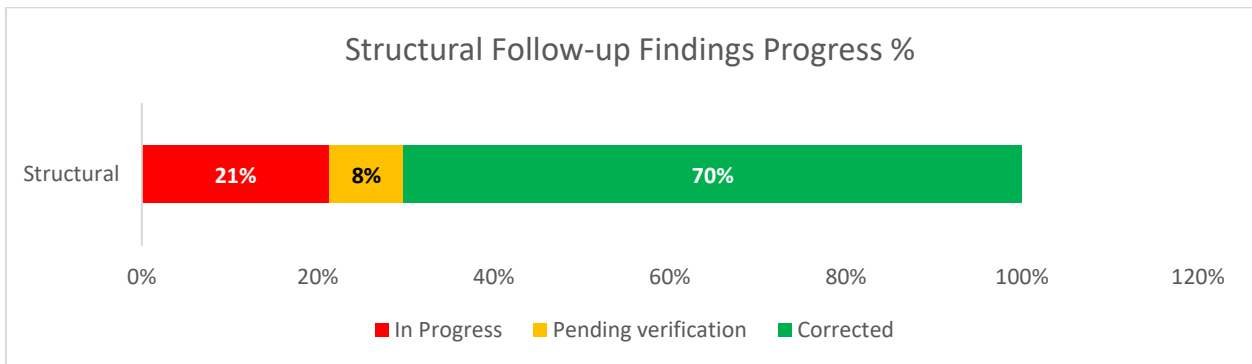
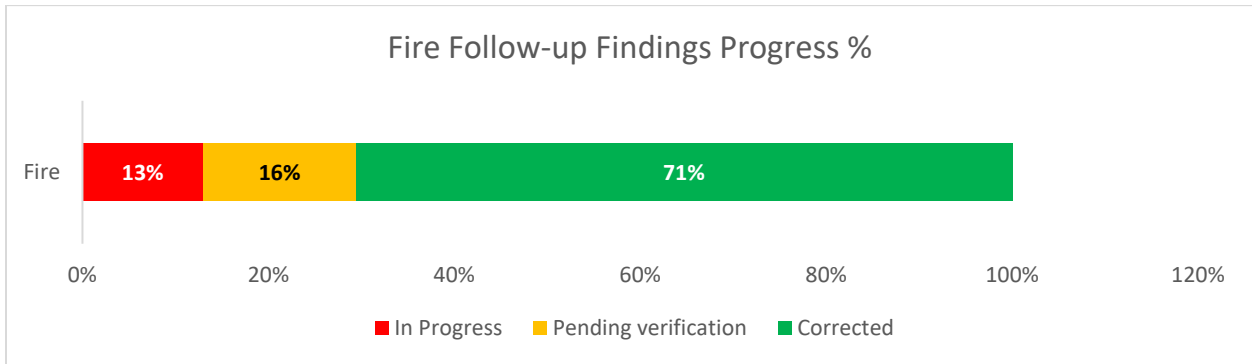
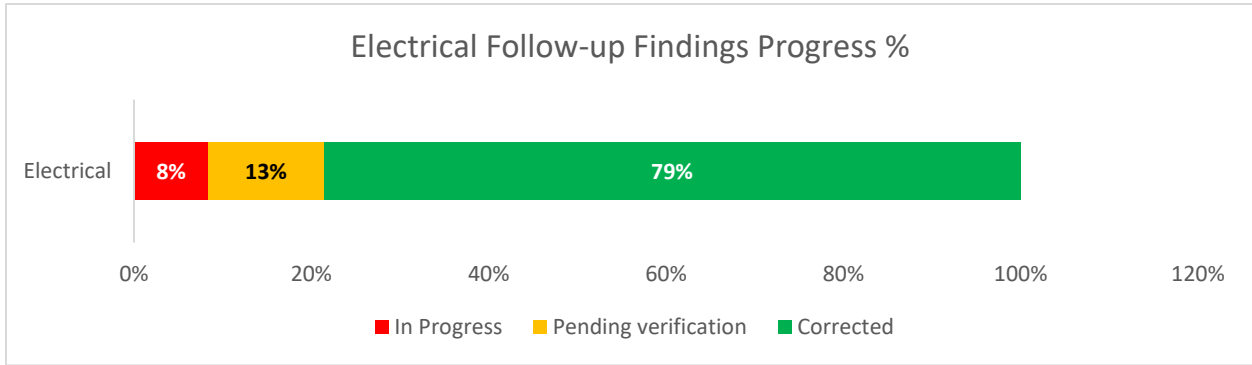
Corrected: The finding has been verified as corrected by the RSC engineers through their follow-up verification visits.

Progress rate (%) by discipline

Initial findings progress charts by discipline (as of December 2022)

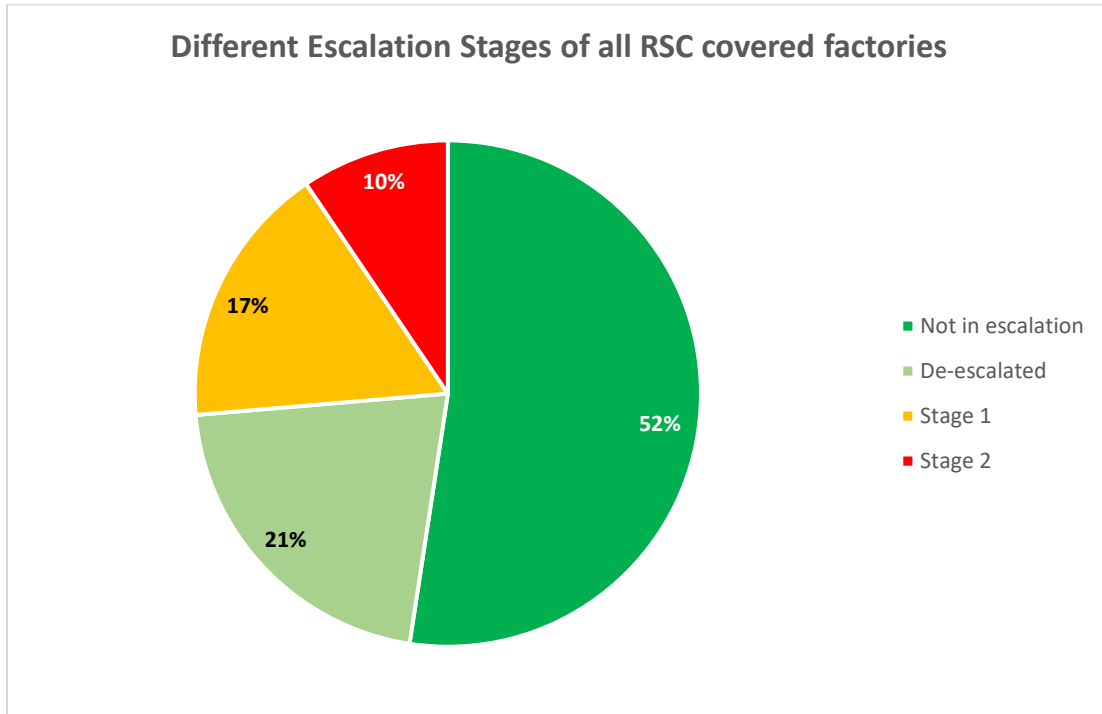


The charts below represent Follow-up Findings progress by disciplines as of (December 2022)



STATUS OF ESCALATION (as of December 2022)

As of December 2022, a total of **479** factories have been escalated to Stage 1 and Stage 2. There are **386** factories that were de-escalated after the escalation items were verified by the RSC. Out of the total RSC covered factories, a total of **953** have never gone to the escalation process. The percentage of different escalation stage of the RSC covered factories (1818) factories is showed in the pie-chart below.



MONTHLY UPDATE ON WORKPLACE SAFETY PROGRAMME

STATUS OF OCCUPATIONAL SAFETY AND HEALTH COMPLAINTS MECHANISM (as of December 2022)

Workers at RSC-covered factories, and their representatives, have a right to raise complaints with the RSC Safety and Health Complaints Mechanism to remedy safety concerns that are not being effectively addressed at the factory level. Workers at covered factories, and their representatives, can raise concerns about safety and health risks safely, and if they so choose, confidentially, through the Safety and Health Complaints Mechanism. The Safety and Health Complaints Mechanism also protects complainants from reprisal, harassment, threat, or other retaliatory actions for exercising the right to file a complaint. This protection applies regardless of whether the complaint is determined to be OSH or non-OSH.

All complaints are assessed to determine if they fall under the occupational safety and health remit.

Occupational safety and health complaints are processed by RSC staff specialised in investigating and resolving complaints. RSC complaint specialists are responsible for verifying the delivery of the remedy of all complaints. Where complaints affect the safety of all workers/groups of workers, the RSC announces the findings and remediation requirements to all workers at the factory.

Complaints that fall outside of the remit of the Occupational Safety and Health Complaint Mechanism (i.e., non-OSH complaints) are forwarded to Factory Management, responsible brand and labour signatories.

Complainants alleging issues at factories that are not covered by the RSC are provided with the contact information of the Government's Department of Inspection for Factories and Establishments (DIFE).

As of 31 Dec 2022, RSC received a total of **908** Occupational Safety & Health (OSH) complaints from workers and their representatives at the covered factories.

TOTAL COMPLAINTS RECEIVED (1 June 2020 – 31 Dec 2022)

Since June 2020, the RSC received 3,344 complaints (unique) out of which 908 (27%) are Occupational Safety & Health (OSH) related complaints and 1,699 (76%) are non-OSH related complaints.

Type of OSH complaints (unique)

- Engineering (structural/fire/electrical safety): **47**
- Working environment related (incl. COVID-19 related, unsafe drinking water supply, excessive heat, workplace violence, forced overtime, denial of maternity pay/leave rights, denial of sick leave, physical and sexual harassment): **215**
- Reprisal for having filed a complaint: **19**.