

RMG SUSTAINABILITY COUNCIL (RSC)

MONTHLY REPORT



March 2024

Empowering all our customers with a comprehensive safety and compliance system driven by a customer-centric and solution-oriented approach, remaining relevant in an ever-evolving landscape through continuous improvement, transparency, and integrity.

CONTACT US

We value your feedback on this document.

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Cover Photo: An image of a “Safety Committee Walk Through” at an RSC-covered factory.

RSC in brief

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.

MONTHLY UPDATE ON INSPECTION PROGRAMME

STATUS OF INSPECTION PROGRAMME (AS OF MARCH 2024)

The RSC inspection programme consists of Structural, Electrical, Fire and Boiler safety inspections. This section of the report represents the total number of inspections conducted by RSC since its inception¹. The RSC carried out **16,195** inspections from June 2020 to March 2024 (among a total of **62,022** inspections by the safety initiative since 2014).

- RSC engineers conducted **1,635 (covered and non-covered factory)** initial inspections in the RSC period among the total of **8,031** initial inspections.
- RSC engineers conducted **14,560** follow-up and other safety inspections in the RSC period, among the **53,991** follow-up and other safety inspections.

Following the initial inspections, the factory and the brands are tasked to develop a Corrective Action Plan (CAP) that details out the time-bound remedial action(s) for completion which is based on the severity of the findings. RSC regularly coordinates with the factories to ensure that the outstanding CAPs are being completed, conducts follow-up inspections to monitor that the remediation processes are duly implemented. Other safety inspection includes post-incident inspections, OSH complaints initial inspections, fire safety inspections, OSH complaints verification inspections, unannounced OSH complaint inspections, and inspections based on Safety Committee Walk Through. Factories are now being inspected within 4 – 5 months' interval which was 8 months before.

¹ RSC commenced its inspection and remediation programme in June 2020.

FACTORY COVERAGE (As of March 2024)

- Covered factory account number: **1826**.
- **6** new “Independent factories” were listed through the industry (BGMEA, BKMEA) for participating in the RSC’s inspection and remediation programme.
- As of March 2024, **95** factories were waiting for initial inspection.

The following graph represents the number of total factories being covered by RSC from June 2023 to March 2024.

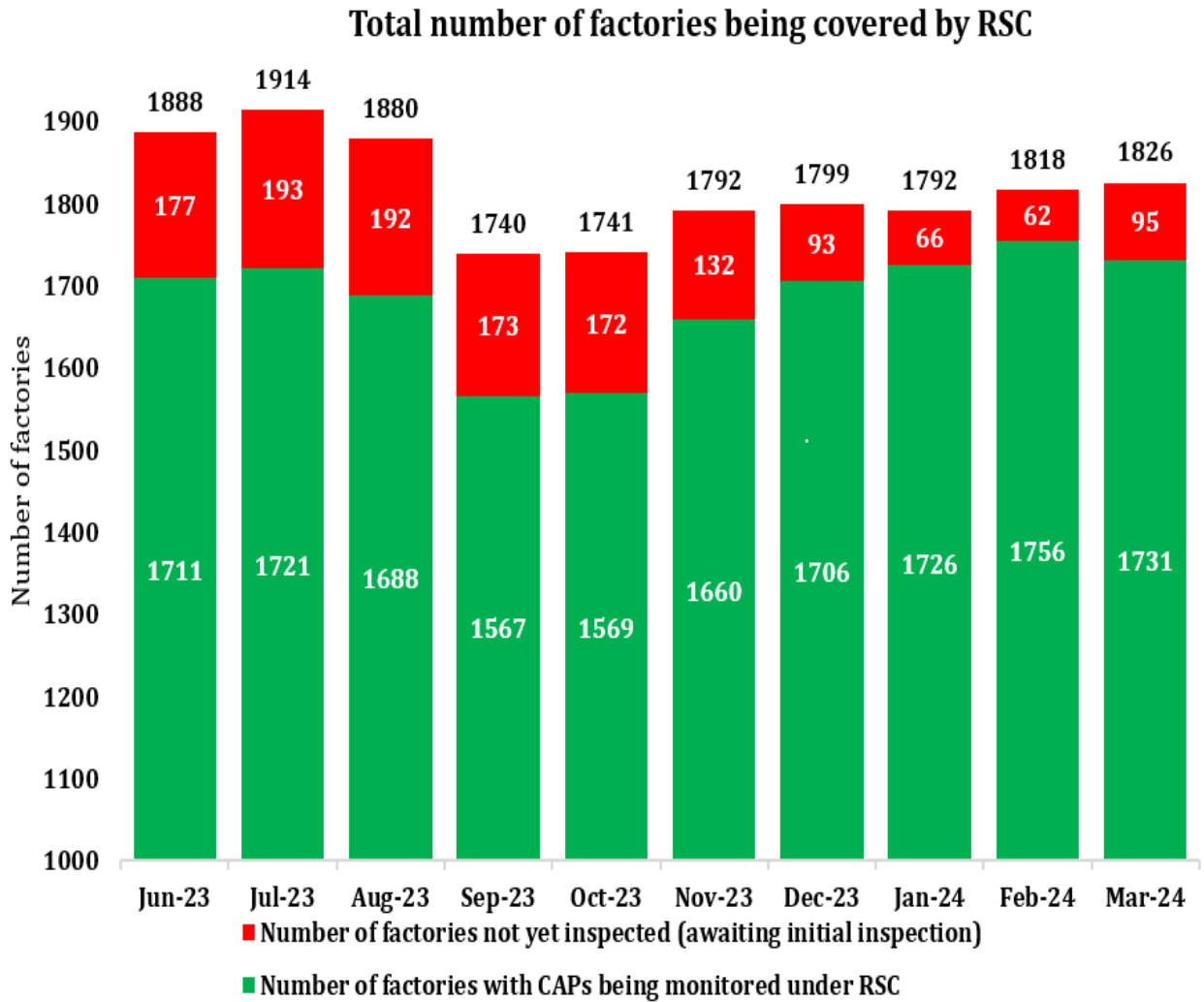


Figure 1: Number of factories covered by RSC

INSPECTIONS HIGHLIGHTS

- Total number of inspections: **623** in March.
- Number of unique factories inspected: **460** in March.
- The total inspection number is **1.35** than the number of unique factories covered indicating multiple types of inspections being conducted simultaneously.
- In March, the number of Initial and Follow-up Inspections had gone down due to the month of Ramadan as there were less working days Beside, some factories reportedly informed RSC that they were not ready for the inspections.

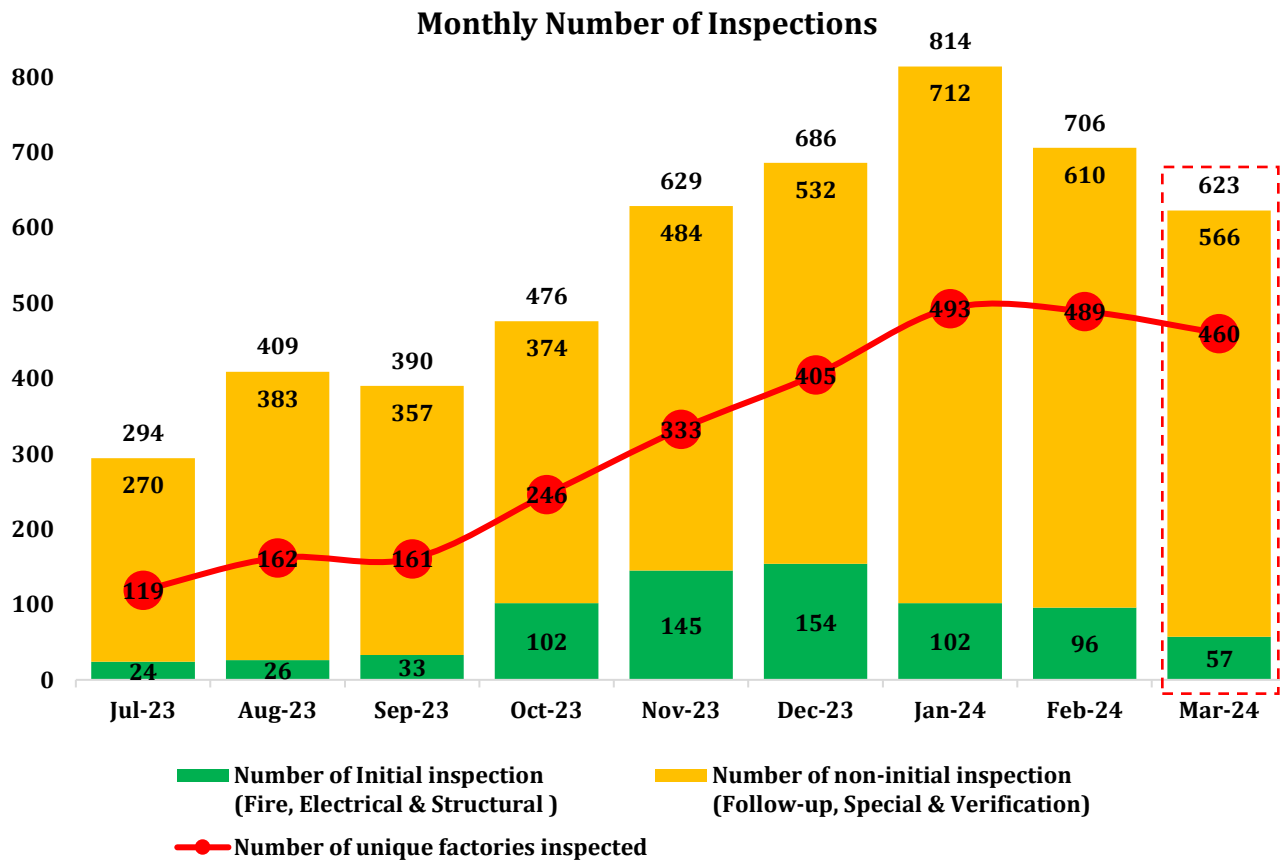


Figure 2: Number of Inspection conducted by the RSC

MONTHLY UPDATE ON SAFETY REMEDIATION

REMEDIATION PROGRESS ON INITIAL FINDINGS ((As of March 2024)

- Letter of Recognition received by factories (for 100% completion of Initial findings): **573** out of **1826**.
- The number of 100% recognition is less due to slow completion of initial fire safety items (Fire Alarm and Detection System-FADS & Suppression System-SUPS) which is a challenge for the factories. To address this challenge, T&C VI² process has been updated with a logical sequence of activities with allocation of responsibilities at each respective stage.

Number of factories received Letter of Recognition

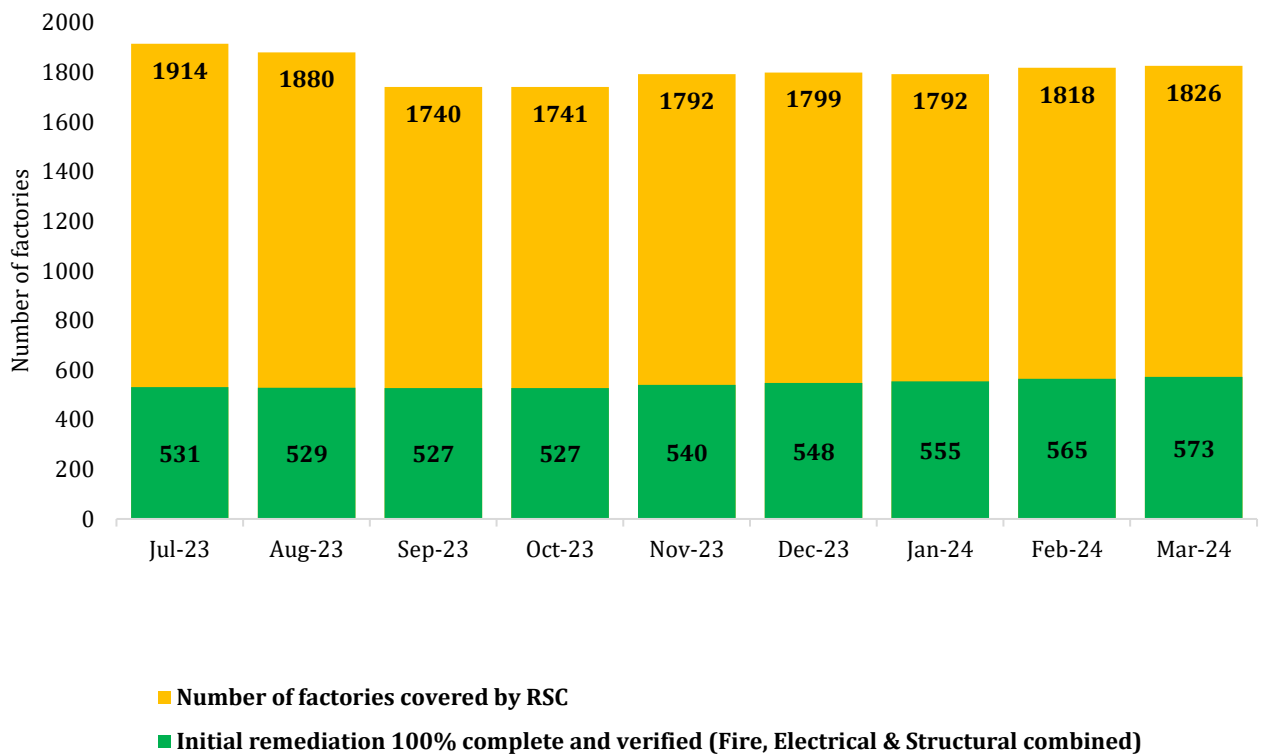


Figure 3: Number of Initial 100% remediated factories (combinedly recognized)

² T&C VI: Testing and Commissioning Verification Inspection

Number of factories with 100% Initial findings complete by scope (Fire, Electrical & Structural)

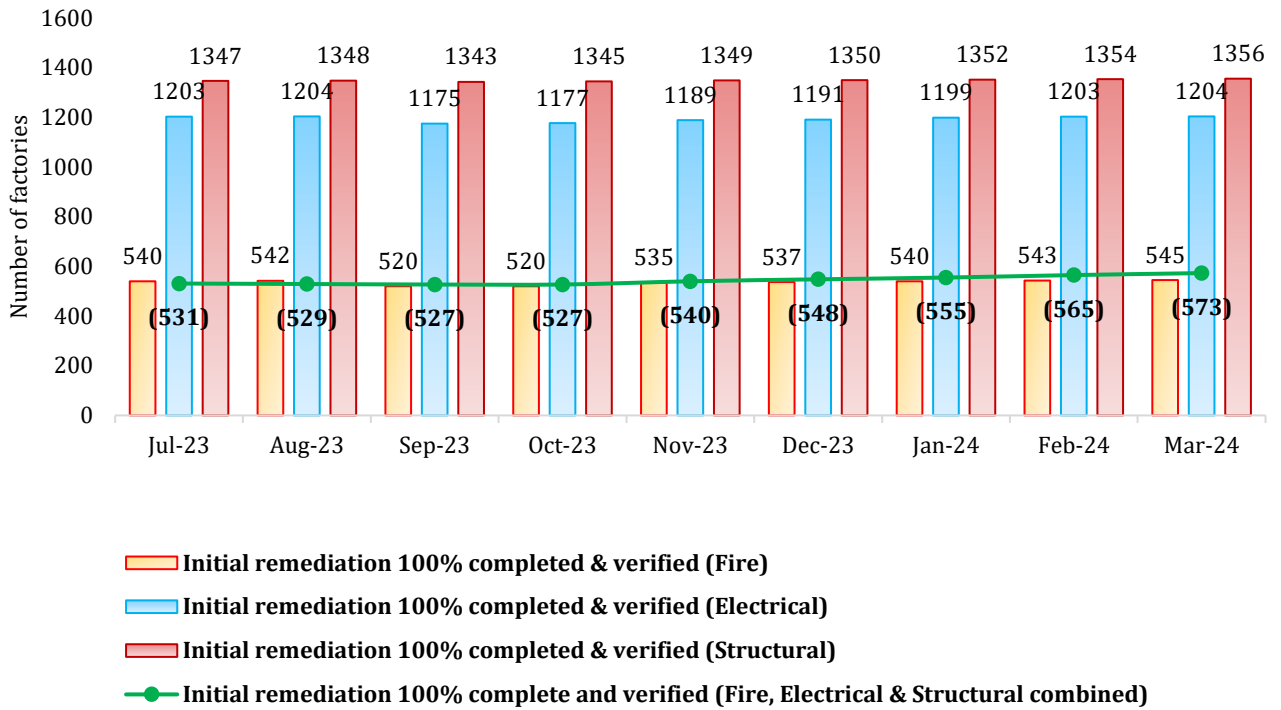


Figure 4: Number of Initial 100% remediated factories by scope (Fire, Electrical & Structural)

PROGRESS WITH REMEDIATION OF INITIAL FINDINGS ((As of March 2024)

Progress with remediation is recorded following the three stages as mentioned below:

- **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) is/are corrected but requires the RSC engineers’ verification through an inspection.
- **Corrected:** The finding has been verified as ‘corrected’ by the RSC engineers through the follow-up verification inspection and/or testing visits.

The following graph shows the **763** factories that have recorded **100%** initial findings completed (includes Pending verification). Out of these factories, **573** have received the Letter of Recognition (LoRs) as shown in the Figure 4.

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

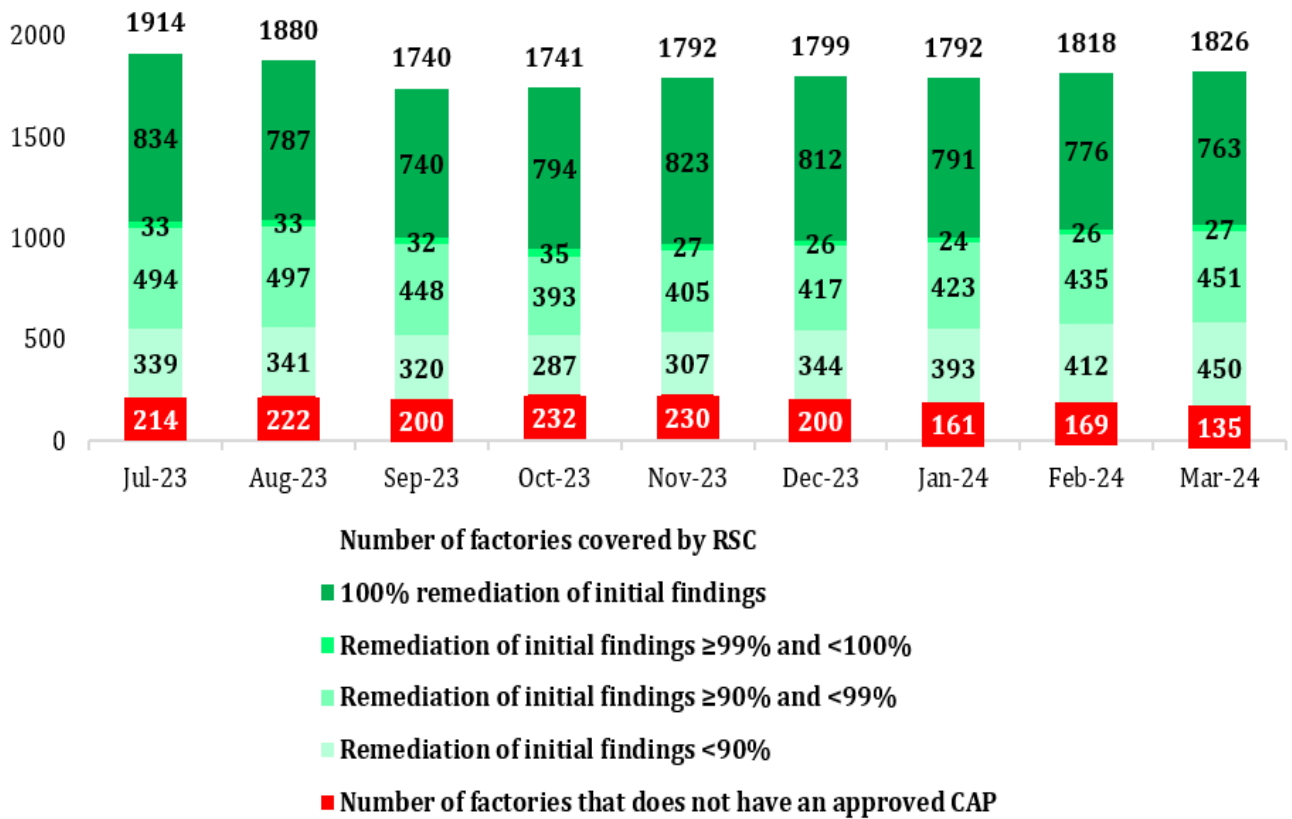


Figure 5: Initial remediation progress (%) considering pending verification items

PROGRESS RATE ON MAJOR ITEMS BY DISCIPLINE

Remediation Status of Fire Alarm and Detection Systems ((As of March 2024)

Figure 6 below demonstrates progress over the past 8 months with the three main stages for full testing and approvals of Fire Detection and Alarm Systems (FADS):

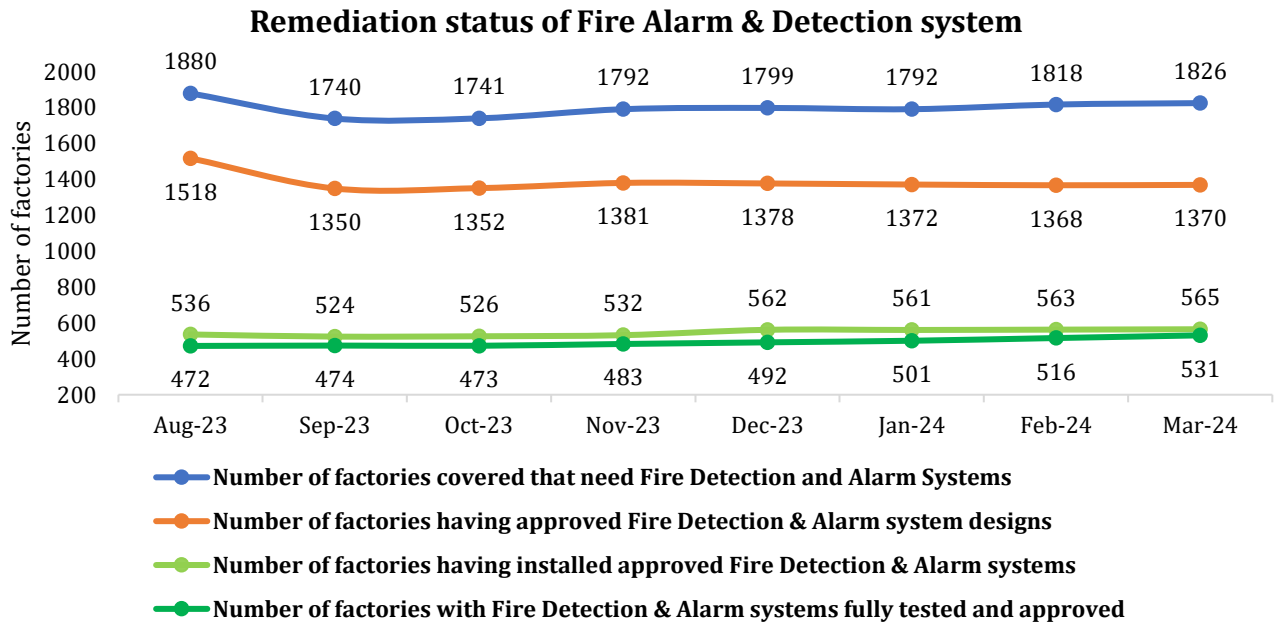


Figure 6: Remediation status of Fire Alarm and Detection System

Remediation Status of Fire Suppression Systems ((As of March 2024)

Figure 7 below demonstrates progress over the past 8 months with the three main stages for full testing and approvals of Fire Suppression Systems (SUPS):

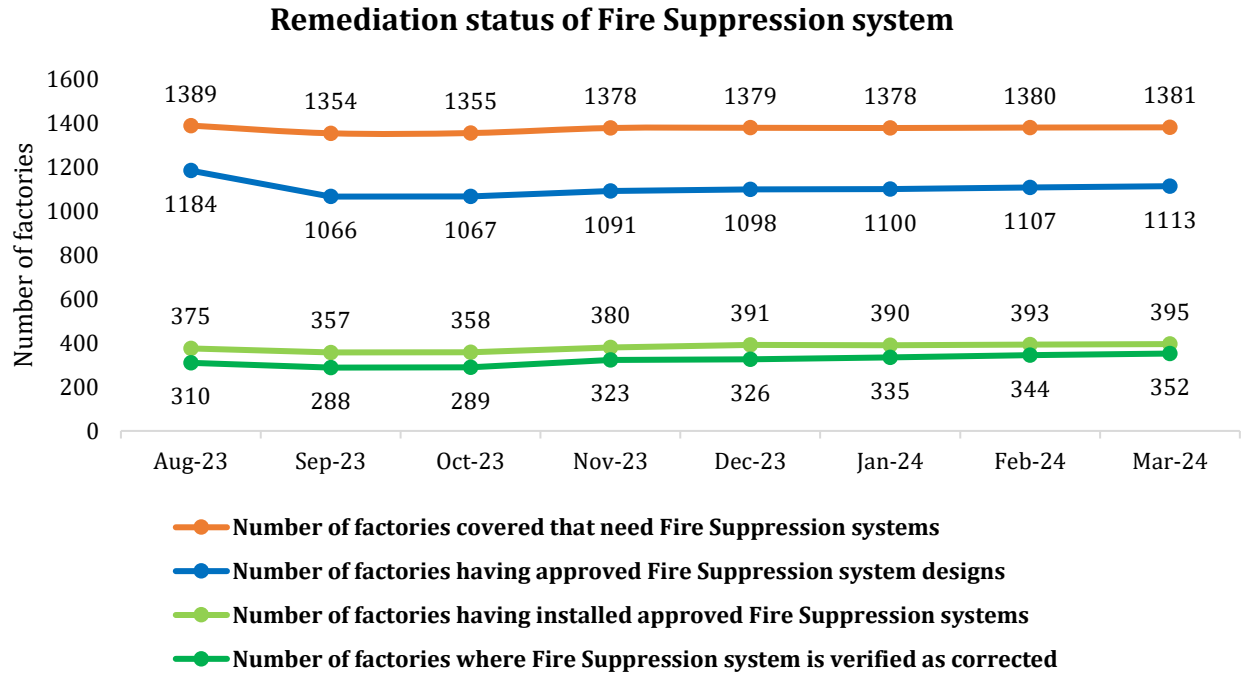


Figure 7: Remediation status of Fire Suppression System

Remediation Status of Structural Items: Detailed Engineering Assessment-(D) EA: (As of March 2024)

- Number of factories having accepted (D)EA: 1296.
- Number of factories completed the structural remediation: 846.

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

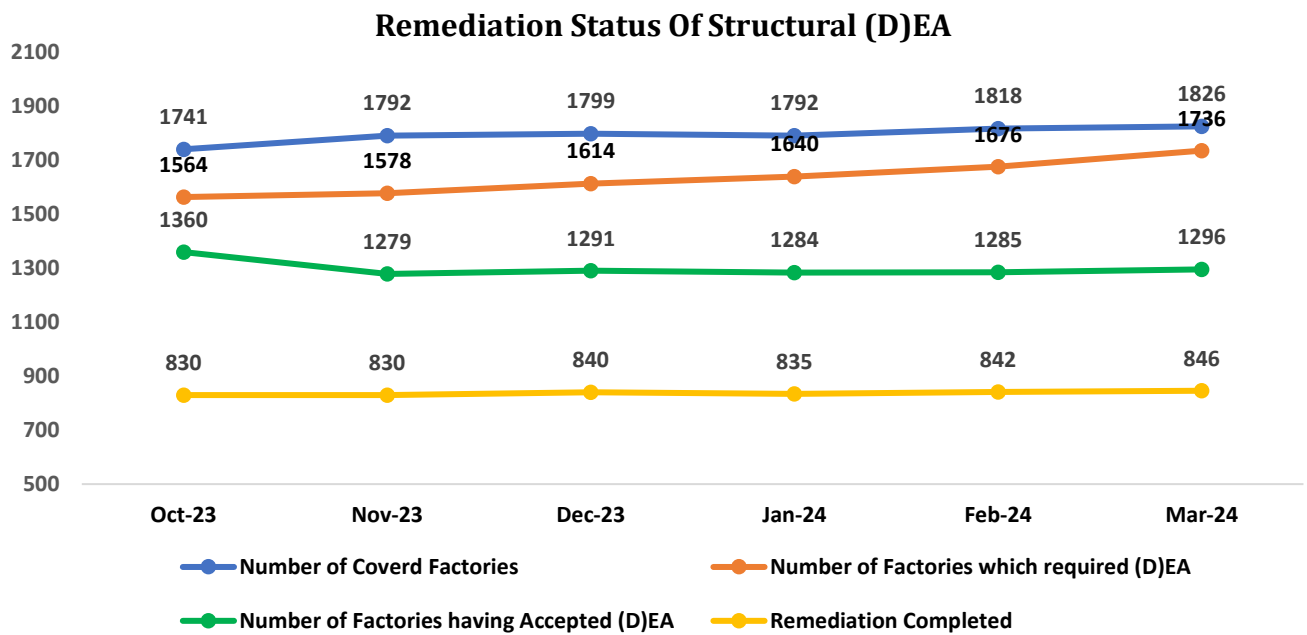


Figure 8: Remediation status of Structural (D)EA

MONTHLY UPDATE ON BOILER SAFETY PROGRAMME

As boiler safety is an integral part of the RSC’s mandate, we are currently conducting safety assessment of the boilers at our covered factories. In the month of March 2024, we conducted different types of boiler safety inspections at the factories. The following figure represents the data of our boiler safety inspections conducted in March.

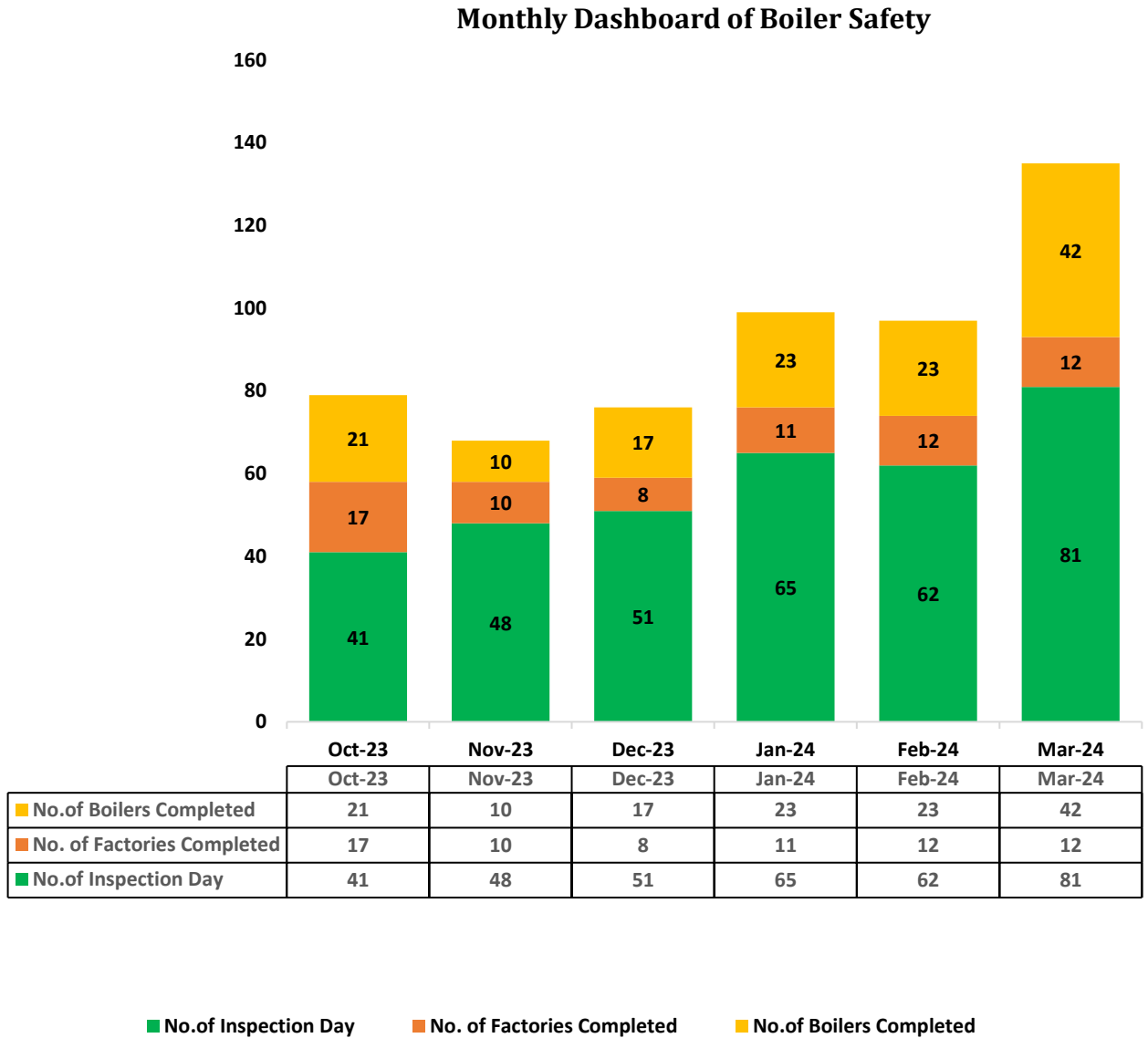


Figure 9: Monthly Dashboard of Boiler Safety

FACTORY ESCALATION STATUS (AS OF MARCH 2024)

As of March 2024, a total of **326** factories have been escalated, **216** to Stage 1 and **110** to Stage 2. It is to mention that a number of **460** factories has been de-escalated after the escalation items were verified by the RSC within this time. Out of the total RSC covered factories, **1,040** have never gone to any escalation process. The percentage of different escalation stages of the RSC covered factories (**1,826**) are shown in the pie chart below.

Yes, the total number of the escalated factories are same as last month. The variations are in the number of stage 1 and stage 2. The total of stage 1 and 2 is 326.

Different Escalation Stages of all RSC covered factories

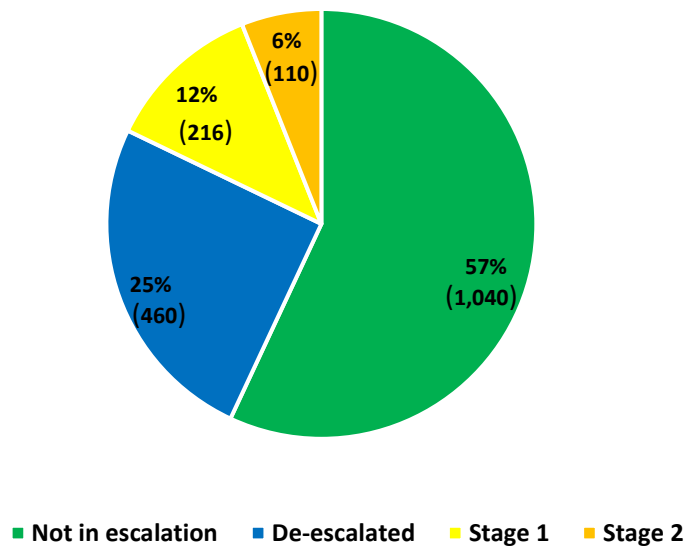


Figure 10: Escalation status of factories

LIST OF FACTORIES THAT RECEIVED STAGE 3 ESCALATION IN THE MONTH OF MARCH 2024

The table below lists the name and account ID of the factory escalated to stage 3 in March 2024. This factory has been made ineligible for business with RSC participating brands as a result of their failure to participate in the RSC prescribed Safety Programme and has been transferred to DIFE.

| ACCOUNT ID | ACCOUNT NAME | CURRENT ESCALATION STAGE | STAGE 3 ISSUED ON |
|------------|--------------------------------|--------------------------|-------------------|
| 23361 | BADHAN KNIT FASHION LTD. (NEW) | Stage 3 | 27 March 2024 |

LIST OF FACTORIES THAT RECEIVED RECOMMENDATION OF PARTIAL/ FULL EVACUATION IN THE MONTH OF MARCH 2024

During a structural assessment, or DEA review if 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 month of March 2024, the RSC didn't recommend partial or full evacuation to any of its covered factories.**

REPORTED FACTORY INCIDENT(S) IN THE MONTH OF MARCH 2024

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

A report of such inspection is produced and shared with designated parties following the protocol. Any action(s)/recommendation mentioned in the report is/are implemented by the factory owner to ensure that the adequate level of safety is re-established in the building.

However, in March 2024, no such incident was reported.

MONTHLY UPDATE ON OCCUPATIONAL SAFETY AND HEALTH COMPLAINTS MECHANISM (1 March 2014 – 31 March 2024)

Key functions of the Occupational Safety and Health Complaints Mechanism

Workers at RSC-covered factories, and their representatives have their right to lodge complaints at the RSC Safety and Health Complaints Mechanism for the remedy of any safety concerns that are not being effectively addressed at the factory level. They can raise concerns about safety and health risks without any fear and due confidentiality. 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 (Occupational Safety & Health) or non-OSH. All complaints are assessed to determine if they fall under the occupational safety and health remit.

RSC has recently launched Comprehensive Complaints Mechanism (CCM) a six-month pilot program, starting from March 11th, 2024, and concluding on August 11th, 2024, to address non-Occupational Safety and Health (OSH) issues. This initiative covers concerns such as Freedom of Association (FoA), child labour, forced labour, discrimination, minimum wages, benefits, leave, unfair employment contracts, separation, and environmental complaints. In this pilot, RSC has selected 100 brands and their 503 associated sourcing factories. The resolution protocol for CCM Non-OSH complaints mirrors that of OSH, However, if necessary, the protocol will be revised considering the pilot program observation, if required.

Occupational safety and health complaints and CCM covered 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/group 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 and CCM (i.e., other 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 Department of Inspection for Factories and Establishments (DIFE).

Total Complaints Received (1 March 2024 – 31 March 2024)

The RSC received **138** complaints during the mentioned reporting period. Of these, **33 (23.91%)** are Occupational Safety & Health (OSH) related complaints, **105 (76.09%)** are other non-OSH related complaints.

Monthly Update, Complaints Mechanism, RSC

Complaints Receiving Statistics

| Period | OSH | Other NON-OSH | Total | OSH% | Other NON-OSH% |
|---------------|------|---------------|-------|------|----------------|
| March-24 | 33 | 105 | 138 | 24% | 76% |
| RSC Period | 1528 | 5103 | 6631 | 23% | 77% |
| ACCORD Period | 1190 | 1089 | 2279 | 52% | 48% |
| Total Period | 2718 | 6192 | 8910 | | |

Complaints Closing Statistics

| Period | OSH | Other NON-OSH (Forwarded) | Total | OSH% | Other NON-OSH% |
|---------------|------|------------------------------|-------|------|----------------|
| March-24 | 42 | 111 | 153 | 27% | 73% |
| RSC Period | 1592 | 5040 | 6632 | 24% | 76% |
| ACCORD Period | 1049 | 1050 | 2099 | 50% | 50% |
| Total Period | 2641 | 6090 | 8731 | | |

Complaints In-Progress/pending Statistics

| Period | OSH | Other NON-OSH (Forwarded) | Total | OSH % | Other NON-OSH% |
|---------------|-----|------------------------------|-------|-------|----------------|
| March-24 | 25 | 82 | 107 | 23% | 77% |
| RSC Period | 78 | 100 | 178 | 44% | 56% |
| ACCORD Period | 1 | 0 | 1 | 100% | 0% |
| Total Period | 79 | 100 | 179 | | |

Monthly Closing Status- OSH Complaints (March-2024)

| SL | Category | Quantity |
|------------|-------------------------------------------|-----------|
| 1 | Disengaged | 4 |
| 2 | Factory Closed | 1 |
| 3 | Factory Not Covered | 1 |
| 4 | Forwarded to other department | 1 |
| 5 | No Brand Factory | 1 |
| 6 | Not Sustained | 12 |
| 7 | Resolved | 15 |
| 8 | Resolved outside RSC complaints mechanism | 2 |
| 9 | Withdrawn | 5 |
| OSH | | 42 |

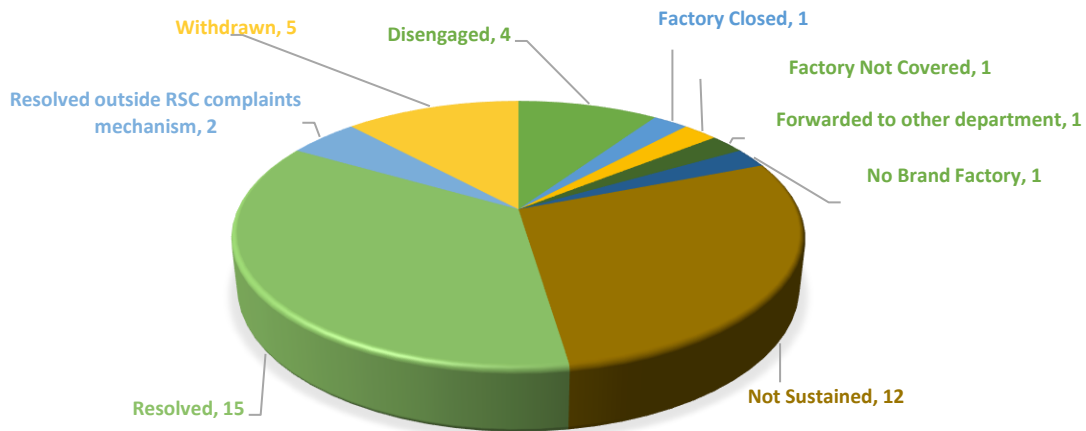


Figure 11: Monthly Closing Status of OSH Complaints

NB: OSH & NON-OSH data final status may vary based on assessment.

***March 24 (1 March – 31 March), RSC period (1 June 2020 – 31 March 2024), Accord Period (1 August 2014 – 31 May 2020), Total period 1 August 2014-31 March 2024**

CCM Complaints Statistics

| Period | Received | Closed | Pending |
|----------|----------|--------|---------|
| March-24 | 50 | 10 | 40 |

| Status | Count |
|---------------|-------|
| Not Sustained | 3 |
| Withdrawn | 2 |
| Resolved | 4 |
| Disengaged | 1 |
| Total | 10 |

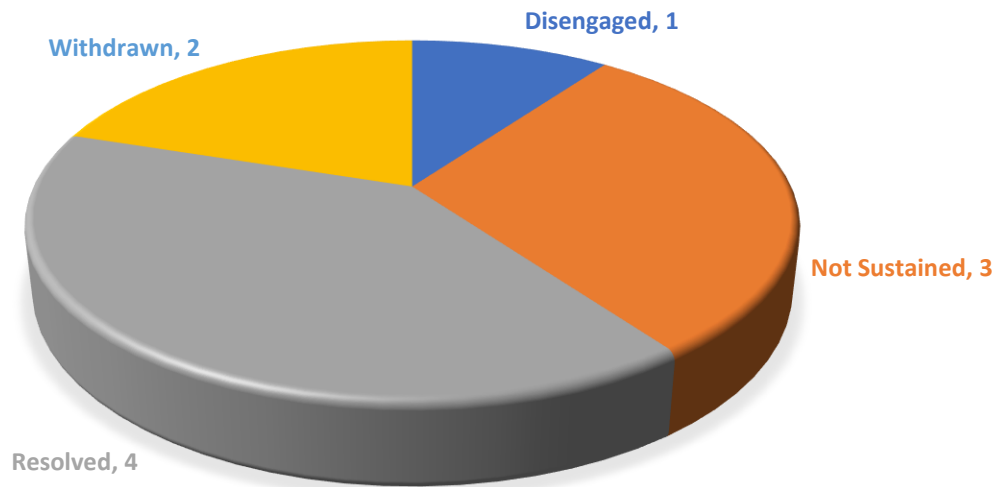


Figure 12: Monthly Closing Status of CCM non-OSH Complaints

MONTHLY UPDATE OF OSH TRAINING PROGRAMME (AS OF MARCH 2024)

Key functions of the OSH 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.
- 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.

All Employee Meetings

- Following a preliminary consultation (Initial Meeting) with the factory management, the RSC OSH Training department schedules 3 “All Employee Meetings (AEM)” at the factory grounds where all employees of the factory are invited to participate.

A factory receives a **Letter of Acknowledgement** (LoA) from RSC after participating all the activities designed under the Safety Committee and Safety Training (SCST) Programme. The Safety Committee members conduct investigation immediately after any accidents/incidents take place at any factory.

| OSH Training Programme update as of March 2024 | | | | | |
|------------------------------------------------|----------------------------------------------------------------------------|-----------------------------|------------------------------|---------------------------------|------------|
| SL# | Particular (Number of) | For the month of March 2024 | As of 31 March 2024, | | RSC Period |
| | | | Accord (As of 31st May 2020) | Work done by ACCORD+RSC to date | |
| 1 | Safety Committee Enrolled Through Initial Meeting | 0 | 1279 | 1574 | 295 |
| 2 | OSH Training Session Conducted (1-8) | 104 | 7825 | 18427 | 10,602 |
| 3 | Factories Completed OSH Training Full Cycle (Regular) | 2 | 558 | 1346 | 788 |
| 4 | Factories Completed OSH Training Full Cycle (Resumption) | 19 | 0 | 777 | 777 |
| 5 | SC Member Participated in OSH Training | 853 | 10831 | 19622 | 8,791 |
| 6 | Factories Covered Through All Employee Meeting | 14 | 1350 | 1566 | 216 |
| 7 | Workers are informed about workplace safety through All Employee Meetings. | 18720 | 1,905,681 | 2,395553 | 489872 |
| 8 | Walk Through conducted | 119 | 2294 | 6568 | 4,274 |
| 9 | Walk through Findings | 848 | 13047 | 35247 | 22200 |
| 10 | Safety Committee Meeting | 112 | 634 | 2991 | 2,357 |
| 11 | Factories received a Letter of Acknowledgement | 6 | 530 | 1237 | 707 |

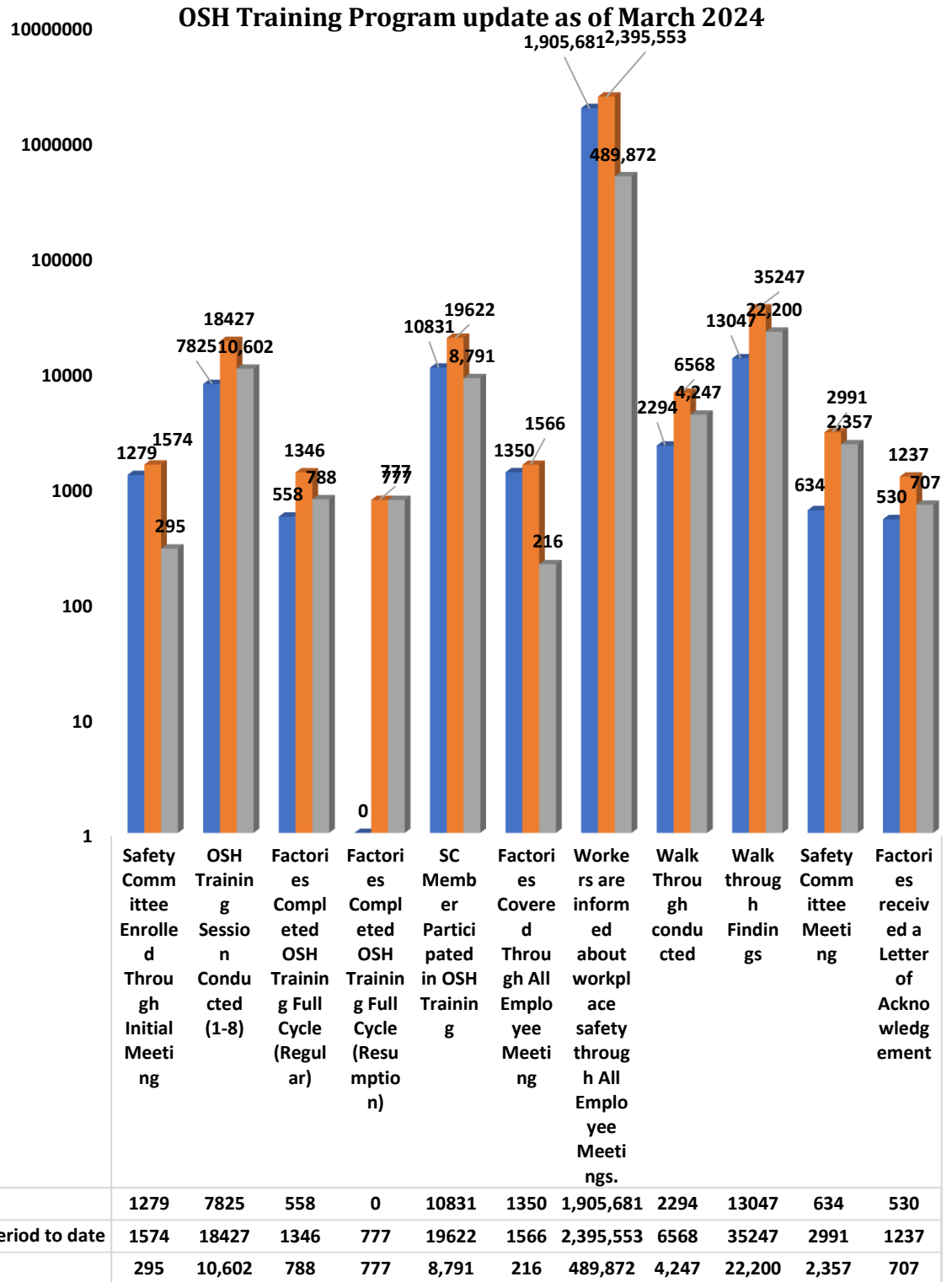


Figure 13: OSH Training Programme as of March 2024