



RSC QUARTERLY AGGREGATE REPORT DECEMBER 2021

On remediation progress and status of workplace programmes at RMG factories covered by the RMG Sustainability Council (RSC)

Period covering September 2021 to November 2021 ▶ Issue: 2.2

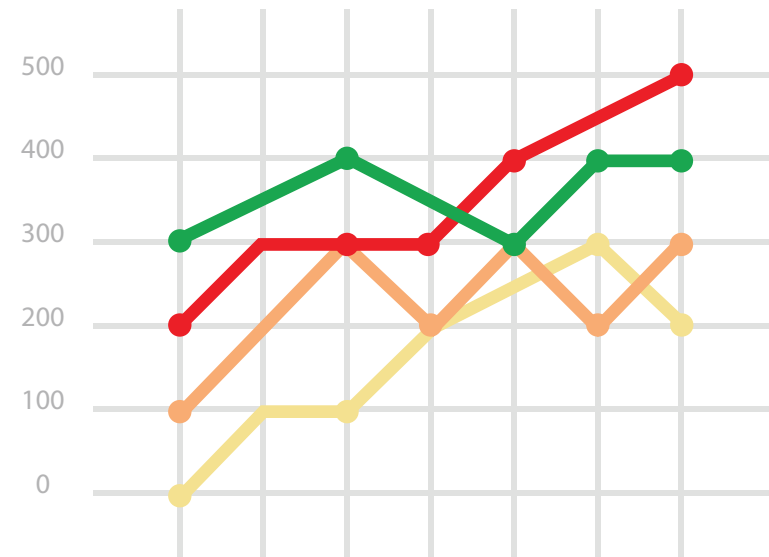


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KEY MILESTONE

INSPECTION & REMEDIATION PROGRAMME

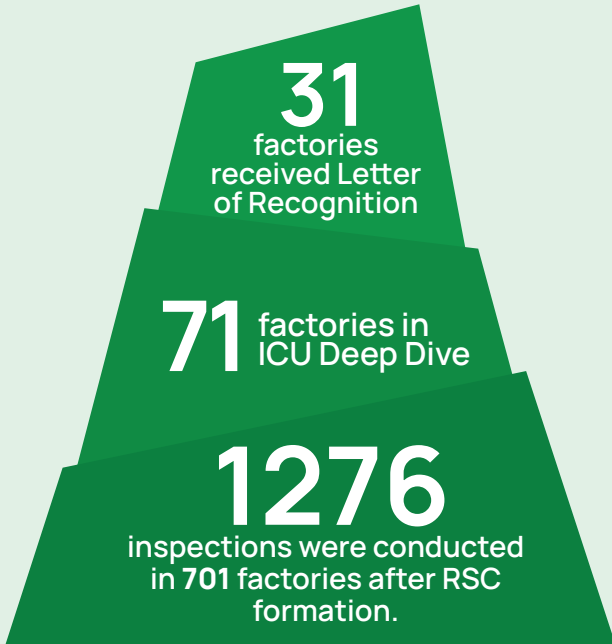
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INSPECTION

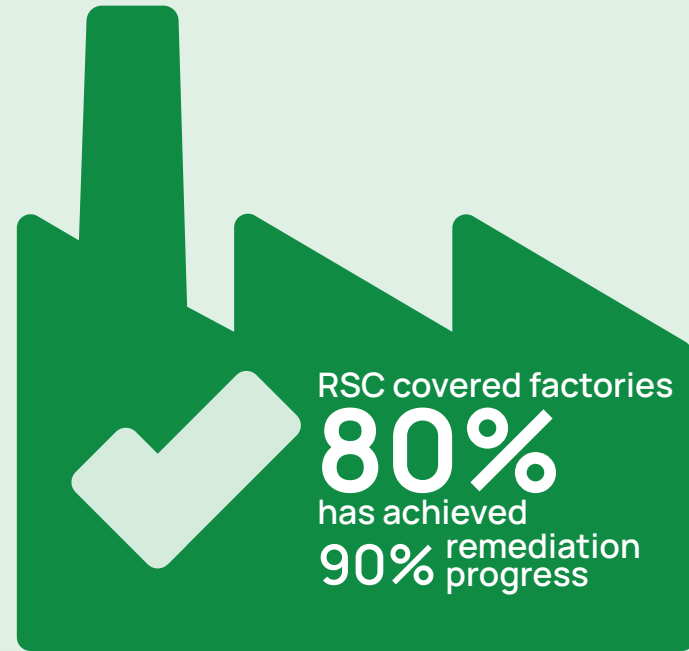
 **94** factories received 100% initial CAP pending verification inspection.

 **31** RSC Letter of Recognition  **23** factories recently listed and scheduled for initial inspection



REMEDIATION

 **15** factories were De-escalated




KEY MILESTONE

WORKPLACE PROGRAMMES

see page
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30

SAFETY COMMITTEE & SAFETY TRAINING PROGRAMME

 **57** RSC Covered factories have completed the final training session #8.



COVID-19 COMPLAINTS

1 June 2020 to 30 November 2021



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, 1,606 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 2021 to 30 November 2021.

The RSC is currently covering 1,682 factories in Bangladesh. There are some 1,000+ 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 completion. In this reporting period, the RSC issued the Letter of Recognition (LoR) to 31 more factories. A total of 136 factories have been issued with LoR since the inception of the RSC. In order to ensure factories are safe it is imperative that remaining remediation is completed to include all initial findings.

Due to COVID-19 pandemic, inspections had to be suspended for six months from late March 2020. The RSC resumed onsite factory inspections in September 2020 with a reduced schedule. The other non-physical operations related to CAP monitoring, engineering documents review, the Safety Committee & Safety Training (SCST) programmes were conducted through online platform to support factories. Due to this, some of the progress data is reported including the Accord term to November 2021¹ and some of the updates are reported for the months of September 2021, October 2021 and November 2021, based on onsite inspections. At the same time the OSHCM was able to receive a record number of complaints. The Complaint Mechanism has received much appreciation as the workers found it useful to resolve their complaints.



¹Some of the progress data are reported since the Accord term as the RSC inherited the Accord's operation and functions in June 2020, the progress data consider of the events that occurred during the Accord term since 2013 with a view to ensure that the safety progress made by the Accord is maintained and potentially expanded by the RSC.

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 **94** factories (September 2021: **26** factories, October 2021: **32** factories, November 2021: **36** factories). Under the ICU Deep Dive programme, RSC is closely working with **71** factories to support them in getting the LoRs, refer to the figure below:

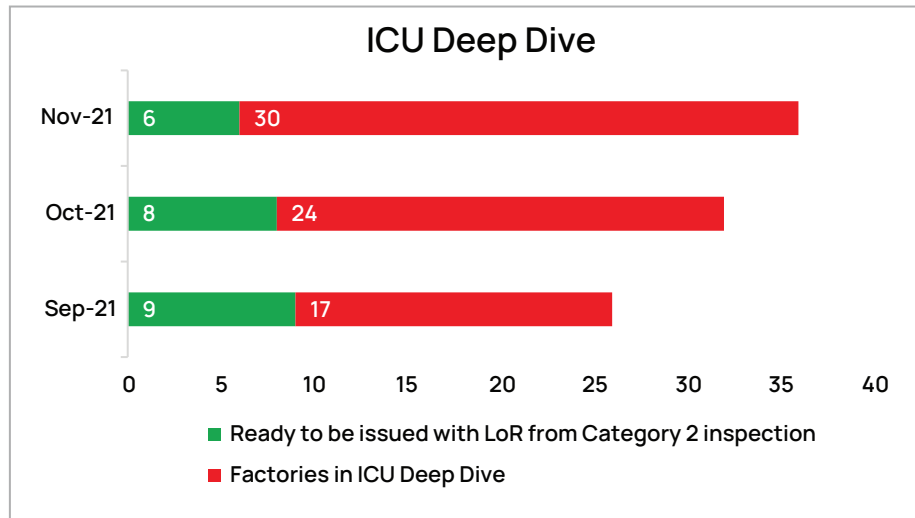


Figure 1 ICU Deep Dive update from 1 September 2021 to 30 November 2021

2. A total of **31** factories from all category inspections were issued with the Letter of Recognition (LoR) in this quarter (**10** factories in September 2021, **7** factories in October 2021, **14** factory in November 2021) refer to the figure below:

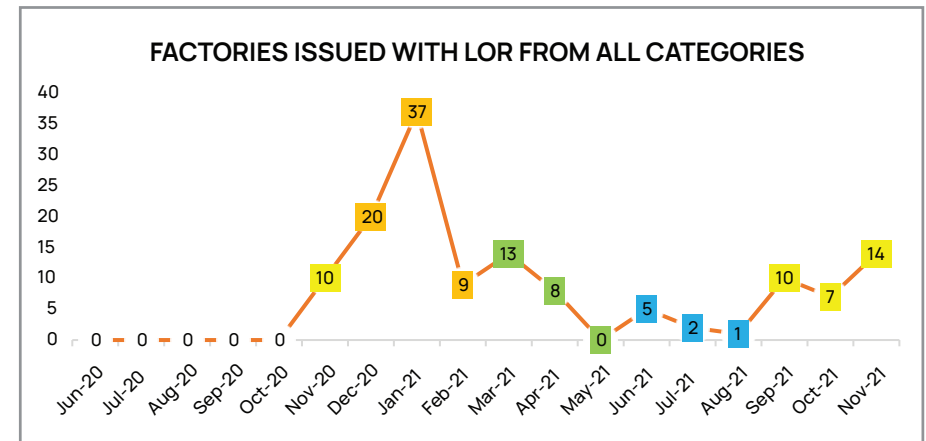


Figure 2 Factories issued with LoR from all category inspections following the Inspection Priority Categorisation table

- 4. **1,276** inspections were performed in **701** factories in this reporting period.
- 5. The RSC Boiler Safety engineers conducted inspections at **86** factories spanning from September to November 2021.
- 6. **23** factories were listed and scheduled for initial inspection.

KEY MILESTONE:

08

Engineering

1. **80.6%** of required (D)EA documentations were accepted through on-site verification.
2. **891** factories have completed structural retrofitting required remedial works were finalised based on (D)EA.
3. **38.8%** Electrical SLDs were accepted among reviewed.
4. **92.3%** covered factories received FADS design approval.
5. **91.5%** covered factories received SUPS design approval.
6. **353** covered factories have their fire alarm and detection system verified as installed to standard.
7. **219** covered factories have their fire suppression system verified as fully functional and installed to standard.

Remediation:

1. **79.9%** RSC covered factories have their initial remediation progress rate above **90%**.
2. **15** factories were De-escalated, **60** factories were escalated to Stage 1, **15** factories were escalated to Stage 2, and **4** factories were escalated to Stage 3.

Safety Committee & Safety Training (SCST) programme:

1. **57** factories have completed all 8 training sessions, bringing the total to **620** since the RSC was formed.

Occupational Safety & Health Complaint Mechanism (OSHCM):

1. **466** new complaints were received.
2. Total **173** COVID-19 related complaints were received since the RSC inception.

1. 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 30 November 2021

Covered factories	
Inspected	1,659
Recently listed and scheduled for initial inspection	23
Total covered factories	1,682
Factories no longer covered	
Closed	197
Relocated	171
Made ineligible for business with International Accord company signatories	205 ²
Out of scope of the Accord/RSC programme	76
Total factories no longer covered	649
Total factories inspected or scheduled for initial inspections	2,331

Table 1 Total RSC covered and not-covered factories up to 30 November 2021

RSC covers 1,682 factories with the status as noted below

- **1,364** factories are **'active'**, meaning that at least one Accord signatory company is actively sourcing from there.
- **5** factories are **'inactive responsible'**, meaning that at least one Accord signatory company signatory was sourcing from there within the last 18 months.
- **240** 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.
- **73** 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.

²Up to 30 November 2021, among the **205** Ineligible factories, **195** factories were made ineligible due to not showing satisfactory remediation progress within the timelines set for the notice and warning phases. **10** factories were made ineligible due to belonging to the same RMG company group with the non-compliant factory before formation of RSC.

1. OVERALL STATUS OF RSC

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. Since 1 June 2020, this process has become the responsibility of the RSC Chief Safety Officer (CSO) (for the time being this task lies with the MD). After 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 September 2021 to 30 November 2021
Initial Inspections (all scopes)	181
FUIs Boiler	0
FUIs Electrical	228
FUIs Fire	159
FUIs Structural	254
Article 17	0
Boiler Pilot	0
Escalation	3
Factory Remediation Fund	6
Immediate Concern	1
Negative Suction	0
Post Incident	7
Safety Complaint	3
SCWT Finding	0
Settlements	14
Specific Issue	2
Closure	50
DEA	115
Pre-T&CVI Review	100
T&CVI	131
T&CVI Final Verification	22
Total Inspection Conducted	1276
Nr Unique Factories Inspected	701
Nr unique factories pending initial inspections	23

Table 2 Total inspections conducted from 1 September 2021 to 30 November 2021

Since September 2021 to November 2021, RSC Boiler Safety engineers conducted inspections at **86** factories.

1. OVERALL STATUS OF RSC

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 ³ :	71
Total number of factories ready to be recognised:	23
Up to May 2020, total number of Letter of Recognition issued:	275
Since RSC (June 2020 to August 2021):	137
Total (through the inspection & remediation since 2013 to 2021):	412⁴
Recognition Letter increased (from last quarter):	23

5.6% improvement in 3 months (September 2021 to November 2021), thus it shows no significant improvement compared to the last quarter which was **5.9%**.

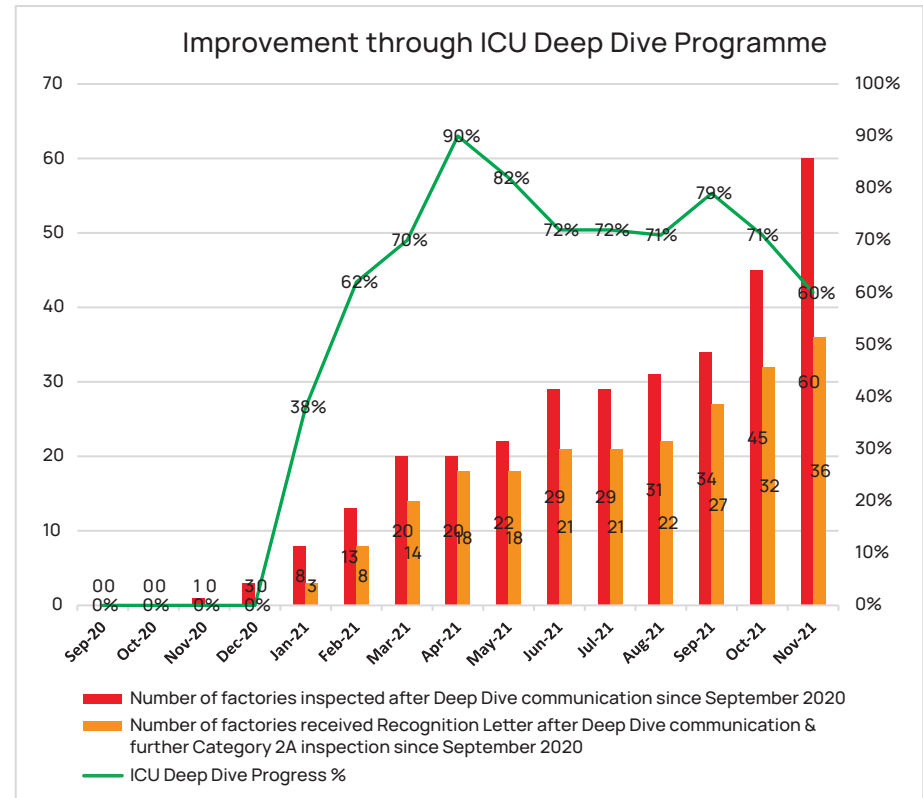


Figure 3 Improvement through ICU Deep Dive Programme during RSC period up to November 2021

³Better CAP: Active, Solution Driven, Action Oriented & Concise action plan
⁴Since the Accord term to the RSC, total of **412** factories were issued with Letter of Recognition. As of November 2021, total of **402** factories are in CAP designation as Initial CAP completed. The difference of **10** factories indicates that these factories got Closed or Archived after the LoR was issued.

1. OVERALL STATUS OF RSC

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 **60** factories previously received Deep Dive communication and received a second initial 100% verification inspection from September 2020 to November 2021. The number of factories received LoR after ICU Deep Dive is **36**. The **36** LoR represents that out of these **60** factories, **36** factories were able to correct all the initial CAP items during the second initial 100% verification inspection, which brings the total programme success rate to **60%**, (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.

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).

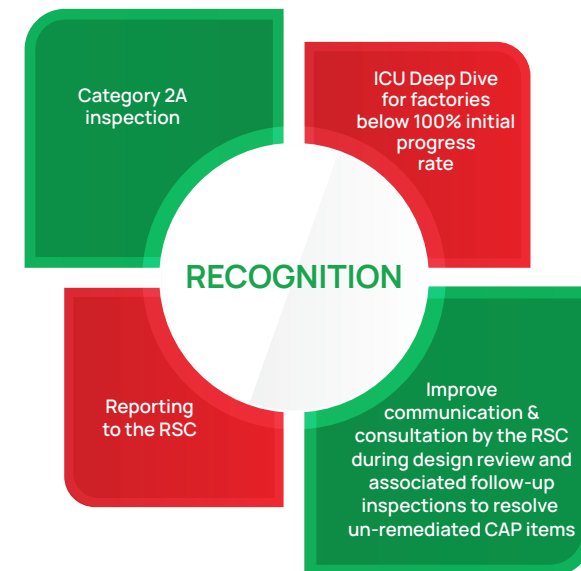


Figure 4 ICU Deep Dive PDCA cycle for Recognition

1. OVERALL STATUS OF RSC

1.4 Revising 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. 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 (EC) approved 3 new inspection prioritisation categories based on which the RSC continues scheduling inspection from 5 September 2021.

Please see the below revised inspection prioritisation table:

Revised 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 (Newly included)	(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 (Newly included)	(Follow-Up Inspection) Factories that are waiting for RSC inspection for more than 365 days (RSC period) from their last inspection
10 (Newly included)	(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: Revised Inspection Priority Category Table from September 2021

2. ENGINEERING

2.1 Some Highlights from the tasks completed during the reporting period (September 2021 to November 2021)

2.1.1 The RCH Highlights:

1. All recognition data (412 factories) has been uploaded in FFC & now can be pulled via UCR.
2. Arranged inspection at factories to verify CAP items related to gas cylinder/gas storage cases (immediate CAP items)
3. Collecting Building area (sq. ft) information from factories which would be used to assess the size of the production facility & based on the data inspection engineers would be assigned.
4. Implementation of T&CVI Escalation assessment form (EAF) & notifying parties about RSC's application of T&CVI Escalation.
5. Scheduling inspection 1-month prior execution targeting zero (0) incomplete inspection/postpone inspection.

● **Electrical Safety Engineering (ESE) Highlights: Inspection and Reporting**

1. Reporting template developed.
2. Development of inspection checklists with risk-based priority.

● **ESE Approach**

1. Team alignment & capacity development.
2. Transformer room and generator room layout review process and guideline are prepared and the final one is under review.
3. Project-phase 2 process is drafted and review in progress.

● **SLD Review and Acceptance**

1. Project-M introduced. Engaging factories through Technical meetings to minimize the review iteration.
2. The monthly acceptance rate of SLD increased through project-M.
3. The ESE Team participated Training related to design review process by focussing the key review components.

2.1.2 Fire & Life Safety Engineering (FLSE) Highlights:

● **Inspection and Reporting**

1. Arrangement of inter dept. & third-party technical training.
2. Shadow inspection to guide team members.

● **Reporting template, inspection & reporting procedure developed. Remediation Progress**

1. The RSC has taken the initiative to reach 100% remediation of initial findings by addressing the Big-Ticket Items (FADS, SUPS, Passive Fire Protection etc.)

● **Adopting a robust review process of the factory submitted evidence to determine the actual potential factories for early inspection window is in progress. This will increase the number of factory recognition. FLS Approach**

1. Application of TGN started.
2. Industries are getting pragmatic solution.
3. Big ticket items are under implementation.

3. ENGINEERING

4. Team alignment & capacity development.
5. 12 supplementary papers related to TSC-GN are developed and their application has already been started.
6. 08 technical remediation guidance are developed.
7. Supplementary Paper has been developed on Use of Liquefied or Compressed Flammable Gas in Factory Premises & the application has already been started.
8. The RSC Technical Guideline (Standard) has been developed & is under final approval process.

● Initial Design Review and Acceptance

1. Project-M introduced. Engaging factories through Technical meetings to minimize the review iteration The Team participated Training related to design review process by focussing the key review components.
2. Cluster Team Training.
3. Classification of major & minor observations during review process.
4. Capacity development of factory Consultants & Engineers.

● T&CVI Pilot Project

1. The pilot project has started initially with 10 factories expecting to save time & resources as the engineers will get more time for design reviews in office.
2. By optimum scheduling process considering resources and time, we would be able to create inspection windows for potential factories.
3. We're expecting more than 80% passing rate at 1st attempt during the T&CVI maintaining the highest integrity of the system.

2.1.3 Boiler Safety Engineering (BSE) Highlights:

1. Boiler safety training with Modern Erection Ltd accomplished
2. 44 hours of online boiler safety training with TÜV-SÜD accomplished
3. External visual inspection of 300 factories completed.
4. Boiler Inspection Technical Guidelines drafted and peer reviewed.

2.2 Structural

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

Required 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. Design reviews are carried out for the following:

- (Detailed) Engineering Assessments {(D)EAs} for structural remediation.

2. ENGINEERING

2.2.1 Factories requiring (Detailed) Engineering Assessments (D)EAs

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.

- (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.

(D)EA Status as of 30 November 2021	
Factories in which conducting a (D)EA is required	1,626
Pending submission by factory	133
Pending review	33
Accepted, pending on-site verification	61
Fully accepted i.e., on-site verification revealed alignment between (D)EA documentation and the physical building(s)	1,311
Partly accepted, partly pending submission by factory/review	88

Table 4 Overall (D)EA status up to 30 November 2021

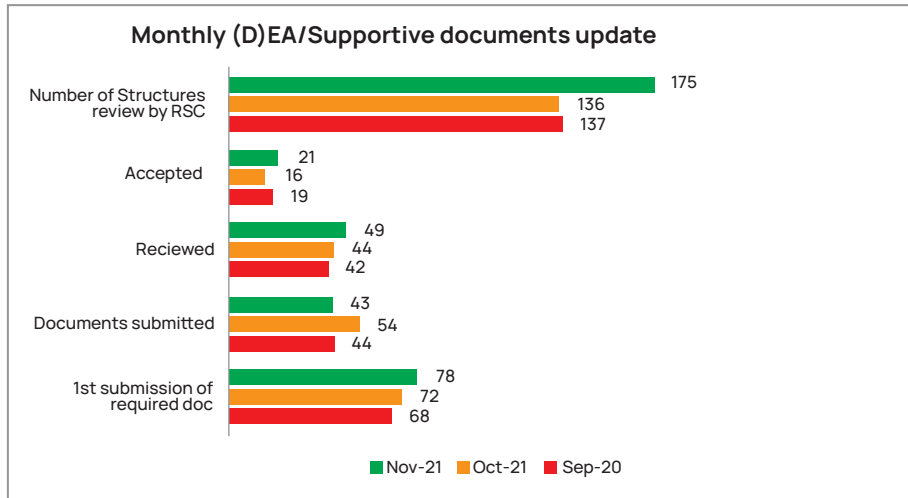


Figure 5 (D)EA/Supportive documents update of September, October & November 2021

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, **80.6%** of required (D)EA documentations were fully accepted through on-site verification up to 30 November 2021.

2.3 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 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:

- Single Line Diagram (SLD) for the electrical installations.

2.3.1 Why SLD is required

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

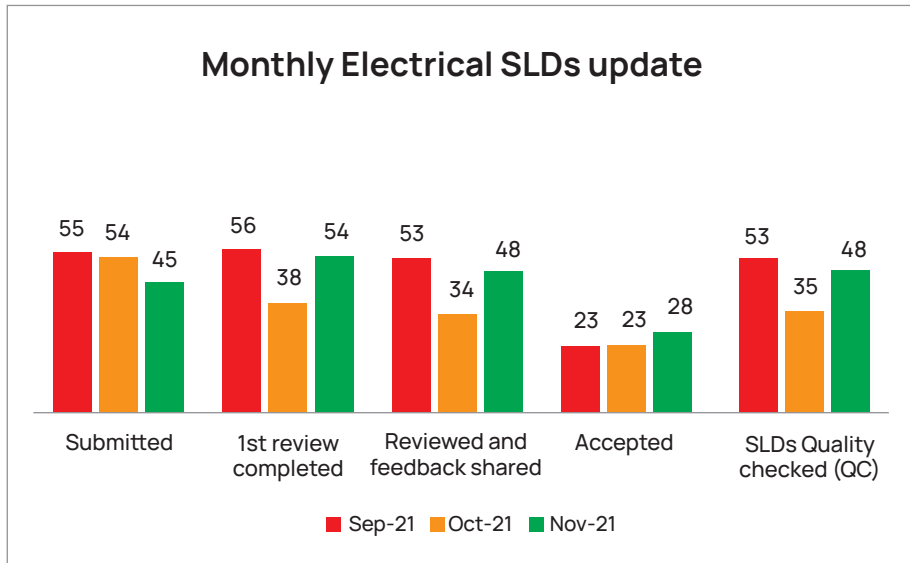


Figure 6 Electrical SLD update of September, October & November 2021

- Total Electrical SLDs reviewed till 30 November 2021: **4,681**
- Total Electrical SLDs accepted till 30 November 2021: **1,814**

2.4 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)

2.4.1 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 2021	Fire Alarm and Detection System (FADS)	Fire Suppression System (SUPS)
Factories where FADS/SUPS is required	1,608	1,323
Pending Submission	67	58
Pending Review	57	55
Accepted	1,484	1,210
% Of Acceptance in total	92.3%	91.5%

Table 5 Overall status of FADS & SUPS design documents up to 30 November 2021

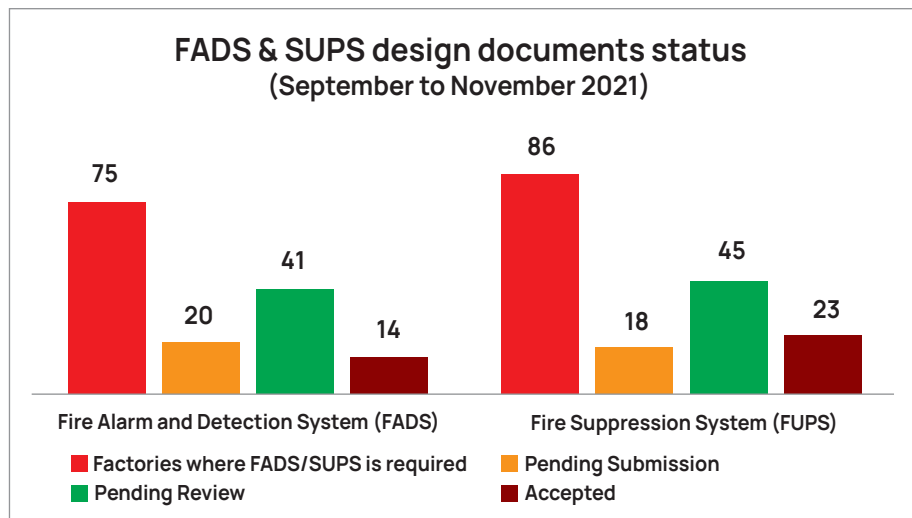


Figure 7 FADS & SUPS design documents update from 1 September 2021 to 30 November 2021

2.4.2 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.

2. ENGINEERING

FADS & SUPS installation status up to 30 November 2021	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	353	219
Factories pending a Final Verification Inspection	53	30
Factories pending Testing & Commissioning Verification Inspection (T&CVI)	184	152
Factories at the stage of pre-T&CVI on-site documentation & equipment review	359	277
Factories where the installation of the system is ongoing	574	548
Factories where the installation is yet to commence	63	70

Table 6 FADS & SUPS installation status up to 30 November 2021

2.5 Boiler

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 inspections at **84** factories spanning from 1 September 2021 to 30 November 2021.

2.6 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.

From September 2021 to November 2021, **one** factories were temporarily and partially evacuated as inspections revealed a severe and imminent risk of structural failure.

3. REMEDIATION

The completion of safety remediation at the 1,700+ (approximately) factories are monitored through approximately 400 follow-up inspections each month, involving RSC engineers. Each factory is inspected approximately once in every four months.

3.1 Initial Findings Progress Rate

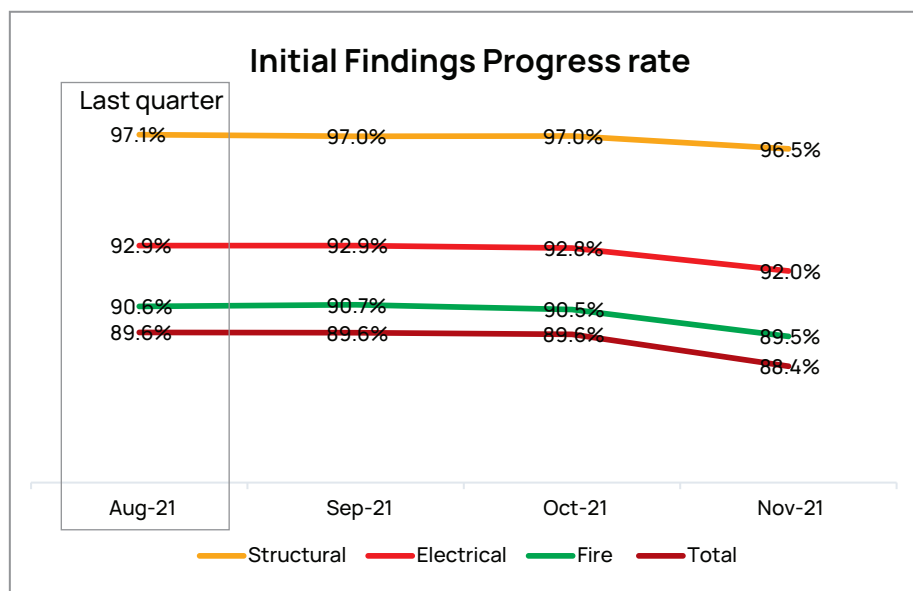


Figure 8 Initial Findings Progress rate from September 2021 to November 2021

From this figure, it is apparent that in November 2021, the total initial findings progress rate decreased from last quarter.

3.2 Designation

Factory Designations among 1,675 RSC covered factories:

- **CAP behind schedule:** The CAP is in implementation, but one or more timelines have not been met.
- **CAP on track:** 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 Pending/CAP not finalised:** The CAP is either incomplete, absent, or not yet approved by the RSC.

CAP Designation	Sep-21	Oct-21	Nov-21
CAP behind schedule	1,008	1,005	1,014
CAP on track	213	204	194
Initial CAP completed	381	386	398
CAP not implemented	201	201	205
CAP Pending/CAP not finalised	94	85	69

Table 7 CAP status from September to November 2021

The vast majority of factories behind the 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. REMEDIATION

3.3 Number of Covered Factories in Progress Rate Categories

NB: only includes factories with a technically approved CAP

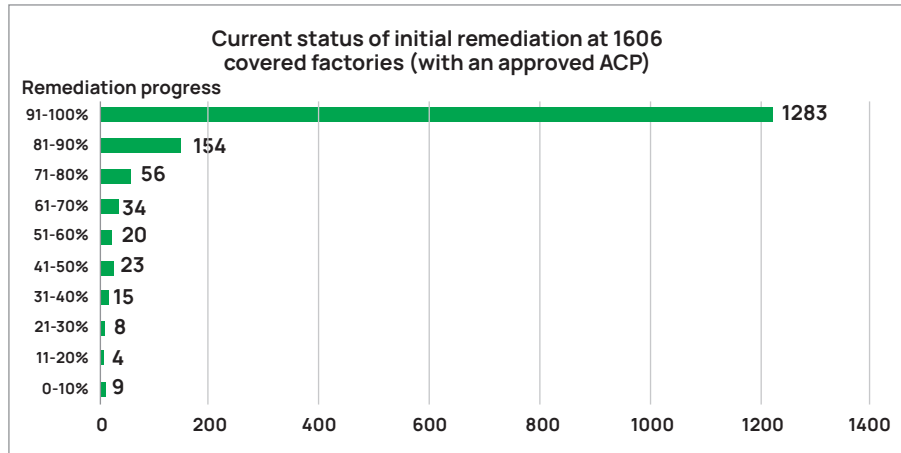


Figure 9 Status of initial remediation at covered factories as of November 2021 (with an approved CAP)

3.4 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 RSC has been informed that the finding has been corrected but the RSC is yet to verify this.
- **Corrected:** The finding has been verified as corrected by the RSC engineers through their follow-up verification inspections.

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

- **Original/Initial findings/issues:** Findings from the RSC Initial inspections.
- **New findings/issues:** Findings from RSC follow-up inspections.

3.4.1 Initial Findings

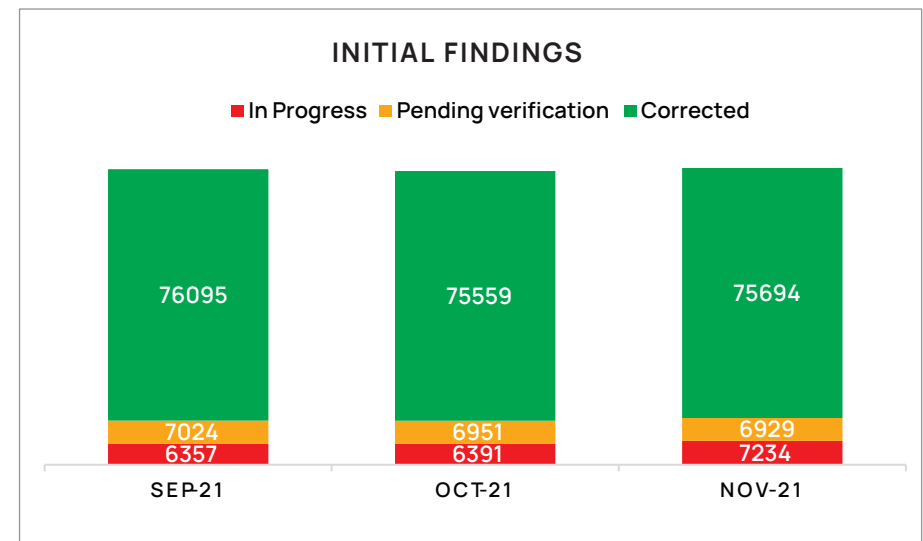


Figure 10 Initial issues/findings status from September to November 2021

3. REMEDIATION

3.4.2 New Findings

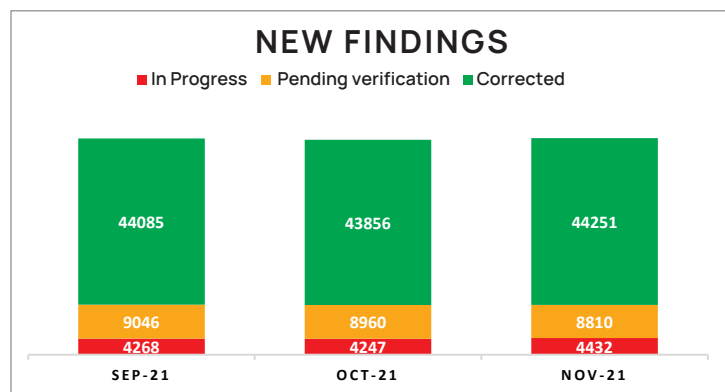


Figure 11 New issues/findings status from September to November 2021

3.5 Scope wise total findings Corrected %

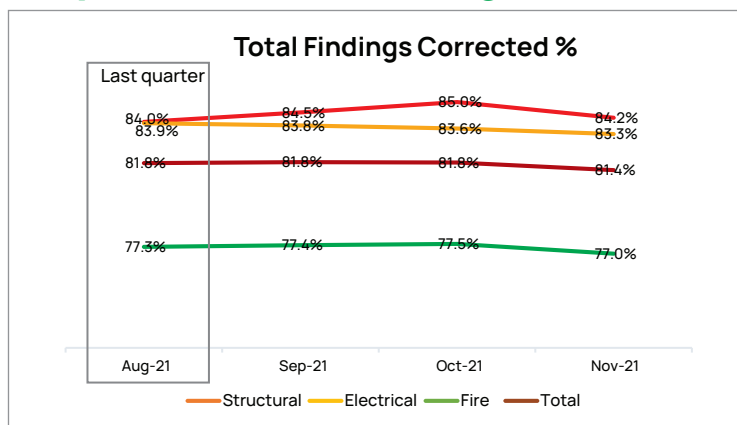


Figure 12 Scope wise total issues/findings corrected rate from September to November 2021

From this figure, it is apparent that in November 2021, the total findings progress rate decreased from last quarter.

3.6 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 findings⁵ 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.

3.6.1 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	970	67	93.1%
Inconsistency with building plan and drawings	1040	108	89.6%
Incorrect implementation of existing load management plan	876	49	94.4%
Lack of design check against lateral load	735	96	86.9%

Table 8 Status of most common structural findings at covered factories up to 30 November 2021

⁵The changes of the findings number in quarters vary on changes of the covered factory number, as-built design documents modifications, etc.

3. REMEDIATION

3.6.2 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
Lack of cable support and protection	898	16	98.2%
Lack of Lightning Protection System (LPS)	856	42	95.1%
No Single Line Diagram (SLD)	848	154	81.8%
Inadequate circuit breakers	784	39	95.0%
Hazardous accumulation of dust and lint on electrical equipment	764	1	99.9%
Unsafe earthing equipment	715	3	99.6%

Table 9 Status of most common electrical findings at covered factories up to 30 November 2021

3.6.3 Fire

Status of most common Fire 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	1,304	10	99.2%
Inadequate egress lighting	1,338	39	97.1%
Lack of fire separation in hazardous areas	1,252	99	92.1%
Non-compliant exit stair openings	1,337	162	87.9%
Storage in means of egress	1,211	29	97.6%

Table 10 Status of most common fire findings at covered factories up to 30 November 2021

4. 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 approved⁶.

From 1 September 2021, **6** inspections were conducted up to 30 November 2021 to verify that the factory remediation was completed as per funds provided.

⁶<https://bangladeshaccord.org/updates/2020/08/20/overview-of-the-factory-remediation-fund-closed-on-31st-may-2020>

5. 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.

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 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. NON-COMPLIANT SUPPLIERS

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 2021
De-escalated	350
Stage 1	313
Stage 2	120
Stage 3	195 ⁷

Table 11 Factory Escalation status up to 30 November 2021

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. Total number of Ineligible factories is **205**. Among those, **191** factories were made ineligible for their own non-compliances, **10** factories were made ineligible due to belonging to the same RMG company group with the non-compliant factory before formation of RSC. The RSC is committed to enforcing the escalation procedures, in this respect Stage 3 escalation requires the confirmation by Industry of removal of Utilisation Declaration (UD's) in a timely manner.

⁷Total number of Ineligible factories is **205**. Among those, **195** factories were made ineligible for their own non-compliances, **10** factories were made ineligible due to belonging to the same RMG company group with the non-compliant factory before formation of RSC.

Escalation Update	Sep-21	Oct-21	Nov-21
Total reviewed for Design Reviews (DR) and Escalation Assessment Form (EAF) of structural documents	101	140	86
Update on fire and electrical EAF review	131	124	161
Escalation recommended for not cooperating for developing an updated CAP	0	0	0
Recommended for Stage 1	18	18	32
Recommended for Stage 2	6	3	9
Recommended for Stage 3	0	0	4
Recommended for Additional stage	15	14	17
Pending De-escalation review case	7	7	13
Stage 1 issued	17	20	23
Continuation of Stage 1 Issued	0	0	1
Additional Stage 1 issued	8	4	5
Stage 2 issued	6	4	5
Additional Stage 2 issued	6	4	15
De-escalation issued	4	4	7
Number of Stage 2 meeting held	2	0	2
Stage 3 issued	0	0	4

Table 12 Factory Escalation update from September to November 2021

6. SAFETY COMMITTEE & SAFETY TRAINING PROGRAMME

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 2021	Number of factories
Factories completed the training	1068
Covered factories are yet to commence the training	219 ⁸
Factories where the training commenced but has been put on hold for various reasons ⁹	117 ¹⁰

Table 13 Status of Safety Training Programme at covered factories up to 30 November 2021

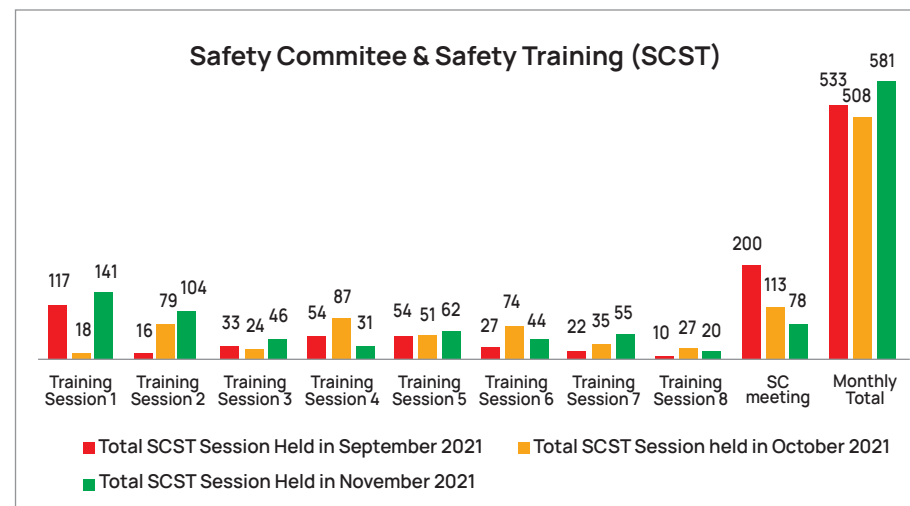


Figure 13 SCST update from 1 September 2021 to 30 November 2021

- Remote Safety Committee Walk-Through (SCWT) conducted **875** sessions¹¹.
- Remote SCWT is now regularly included in the SCST schedules from February 2021.

⁸these includes EPZ factories

⁹Various reasons include factories undergoing the closure/relocation procedure, labour disputes, or ongoing legal proceedings.

¹⁰Active, Inactive Responsible, Pending Closure factories are included.

¹¹Onsite Safety Committee Walk-Through (SCWT) session was on hold during COVID-19 pandemic.

7. OCCUPATIONAL SAFETY & HEALTH COMPLAINTS MECHANISM

29

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.

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 2021	Number of OSH complaints
Total OSH complaints received by the Accord/RSC	1,683
Total OSH complaints in progress	155
Total OSH complaints resolved by the RSC	192
Total OSH complaints resolved by the RSC in the reporting period (Sept'21-Nov'21)	23

Table 14 OSH Complaints status up to 30 November 2021

Complaint Mechanism	Sep-21	Oct-21	Nov-21
No. New Complaints	252	154	60
No. New OSH Complaints	19	20	20
No. New Non-OSH Complaints	234	136	40
No. New Initial Inspections	0	0	1
No. New Verification Inspections	0	1	0
No. Pending Verification Inspections	2	2	3

Table 15 Complaints Mechanism update of September, October & November 2021

COVID-19 COMPLAINTS

7.1 COVID-19 complaints

From 1 June 2020 to 30 November 2021, workers at RSC-covered factories and their representatives have filed **173** complaints related to COVID-19 at the Occupational Safety & Health Complaints Mechanism. The allegations raised in these complaints concern the following:

COVID-19 related category	Number of complaints
Non-payment of separation from employment payments	96
Forced resignation	34
Termination of employment	27
Non-payment of maternity benefits	28
Non-payment of wages	28
Retrenchment	13
Lay-off	6
Under-payment of wages	5
Risks to health	1
Worker unrest	3
Threats	3

Table 16 COVID-19 related complaints from 1 June 2020 to 30 November 2021

The total number of unique COVID-19 complaints is lower than the total number of allegations because some of the complaints include more than one allegation.

RSC Quarterly Aggregate Report DECEMBER 2021

On remediation progress and status of workplace programmes at RMG factories covered by the RMG Sustainability Council (RSC)

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AUTHOR

RMG Sustainability Council (RSC)

GRAPHIC DESIGN

RedBug Production

RMG Sustainability Council

Level-13, AJ Heights, Cha-72/1/d
North Badda, Pragati Sarani,
Dhaka-1212, Bangladesh

Phone Numbers (office)

+880 2 41081863

+880 2 41081864

+880 2 41081865

+880 2 41081866

✉ contact@rsc-bd.org

🌐 www.rsc-bd.org



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