

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

18 Oct 2021



Factory Information

FLA Affiliates	Esprit Europe Services GmbH
Country	Bangladesh
Number of Workers	2961

Understanding this Report

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

FLA Code Element

Number of Violations

Compensation (C)	3
Employment Relationship (ER)	11
Health, Safety And Environment (HSE)	16
Hours Of Work (HOW)	4

Assessment Information

Assessor	Insync
Assessment Date	18 Oct 2021
Assessment Purpose	Factory Assessment (Hybrid)

ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.22
Benchmark Details	Employers must establish a system through which workers can dispute compensation and receive clarifications in this respect in a timely manner.
Finding Details	The factory does not have a system with specific procedures to report grievances pertaining to wage payments and benefits. Workers can approach HR team.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	C.21.1
Benchmark Details	Employers shall provide all legally mandated benefits, including holidays, leave, bonuses, severance payments and 13th month payments to all eligible workers within legally defined time periods.
Finding Details	Wages for days worked prior to resignation is paid on the regular scheduled pay date in the month following the month of resignation. Payment should be made within seven days of resignation.
Recommendation for Immediate Action	Wages for days worked by workers prior to resignation from employment should be paid within 7 days from date of resignation.
Compliance Classifications	Immediate Action Required

Local Law	Bangladesh Labor Rules 2015- Rule 112 (4): If a worker's job is scrapped/cancelled due to layoff, discharge, termination, expel, resignation by the worker or for any other reasons, the arrear wages of the worker have to be paid within 7 (seven) working days after cancellation of the job and the compensation and other dues must be paid within maximum 30 (thirty) working days after cancellation of the job
Benchmark ID	C.15.1.5
Benchmark Details	Employers shall provide workers a pay statement each pay period and not less frequently than once a month, which shall show bonuses.
Finding Details	Fixed amount of Eid bonus is provided to all workers twice a year. No wage slip tha covers the bonus is provided as there is no calculation involved.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Employment Relationship (ER)	
Benchmark ID	ER.19.2
Benchmark Details	All notices that are legally required to be posted in the workplace work areas shall be posted by employers.
Finding Details	Covid 19 posters are posted near main gates, exits from work areas and dining area but not in work areas.
Recommendation for Immediate Action	Covid 19 posters should be posted in all work areas.

Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	ER.18.2
Benchmark Details	Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.
Finding Details	Supervisors and managers are not fully aware of all the disciplinary procedures. They are only aware of the procedures for initial verbal warnings while the full procedures include other processes, such as written warnings.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.17.1
Benchmark Details	Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.
Finding Details	Verbal warnings are not documented, however, they are addressed.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
Benchmark ID	ER.1.1
Benchmark Details	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.
Finding Details	1. Factory does not use the prescribed document (form 19) for intimation by workers post delivery of child. 2. Factory does not have written procedures on nondiscrimination
Recommendation for Immediate Action	Factory should use the prescribed document (form 19) for intimation by workers post delivery of child.
Compliance Classifications	Immediate Action Required
Local Law	1. N/A 2. Bangladesh Labour Rules 2015 - Form -19 (section 47 and rule 39(4)-Register of the Beneficiary of Maternity Benefit
Benchmark ID	ER.18.1
Benchmark Details	Employers shall have written disciplinary rules, procedures and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).
Finding Details	Procedures on workplace discipline does not include information on responsible persons, the need to train supervisors, managers and workers, or the documentation that should be maintained.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
Benchmark ID	ER.6.1
Benchmark Details	Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond.
Finding Details	Factory does not have written procedures on personnel development.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.7.1
Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Finding Details	Effective August 2021, the factory started evaluating for performance of workers from the knitting section. Prior to August 2021, performance was not evaluated at all.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Benchmark ID	ER.8
Benchmark Details	Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements.
Finding Details	Performance evaluations are conducted based on verbal recommendations from the production team. Evaluation results are discussed with workers however evaluation sheet with results are not signed by workers. There are no defined procedures for the production team on how to recommend workers for promotions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.19.1
Benchmark Details	Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws.
Finding Details	1. Factory does not have a written agreement with the caterer that provides canteen (dry snacks) services . 2. The canteen service provider does not hold a trade license.
Recommendation for Immediate Action	1. Factory should have written agreement with caterer providing canteen (dry snacks) services . 2. The canteen service provider should obtain a trade license to provide services.
Compliance Classifications	Immediate Action Required

Local Law	Bangladesh Labour Rules 2015 - Chapter Nineteen Miscellaneous - 354. Application for sanction of registration and license for factory, industrial establishment, commercial firm, commercial bank and insurance firm, shop and contracting firm:-Each of the owners or occupiers shall have to forward application (2 sets) as per Form-77 to the Inspector General for registration and license of factory, industrial firm, commercial firm, shop and contracting firm within the following timeline:--- (a) Six months from date of these rules being in force for factories, industrial firms, commercial establishments, commercial bank and insurance firm, shop and contracting firm existing or engaged in production process to which laws apply and (b) 30 (thirty) days before start of work for factories, industrial firms, commercial establishments, commercial bank and insurance firm, shop and contracting firm which are established before enforcement of these rules or which are in production.
Benchmark ID	ER.3.1
Benchmark Details	Employers shall provide an orientation to new employees at the time of hiring, which includes explanations of the employers' rules, compensation package and policies for human resources, grievance systems, industrial relations, including respect of the right to freedom of association, workers' rights and responsibilities, FLA Code of Conduct, health and safety, and environmental protection.
Finding Details	Training is provided on Code elements of customers and not specifically on FLA Code elements and Employment Functions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.3
Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.

Finding Details	1. Review period for policies and procedures is not defined. 2. Policies are made based on legally defined guidelines and workers are not consulted.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Health, Safety And Environment (HSE)

Benchmark ID	HSE.30.1
Benchmark Details	Employers shall develop, maintain, and regularly review health, safety, and environmental policies to ensure that they comply with all national laws, regulations and the FLA Workplace Code concerning health, safety, and environmental standards, regulations and procedures.
Finding Details	Written procedures on Health & Safety does not provide information on responsibilities assigned and need for training of employees.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.5.1.6
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: evacuation procedures and fire drills

Finding Details	Factory does conduct an assessment after the fire drill to learn how to improve the evacuation process.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.19
Benchmark Details	All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.
Finding Details	Hand dryers and tissues are not provided in toilets to dry hands.
Recommendation for Immediate Action	Provide ways for workers to dry their hands in the toilet.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.13
Benchmark Details	All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility.
Finding Details	Management has not conducted any assessments to determine thermal comfort problem areas.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	<p>1. Traffic lanes and walkways are not marked inside the factory. 2. Four of out two ladders used did not have locking arrangement. Piece of electric chord was used to avoid legs from sliding apart. 3. Signs to indicate maximum working load and capacity is posted in English and not in local language (Bengali). 4.Lid locking arrangement is not installed on 3 of 3 hydro extractors and 7 out of 11 dryers do not have auto power cut off arrangement. , 5. Lifts are inspected by external persons. Competency certificate of inspectors is not maintained by the factory and hence cannot verify if inspectors were competent to inspect lifts. 6. Vehicles are not inspected periodically however when there is a break down, required action is taken.</p>
Recommendation for Immediate Action	<p>1. Traffic lanes and walkways should be marked inside the factory. 2. All ladders used should have locking arrangement. 3. Signs to indicate maximum working load and capacity should be posted in English and in local language (Bengali). 4.Lid locking arrangement should be installed on 3 of 3 hydro extractors and auto power cut off arrangement should be provided on dyers that do not have the arrangement. 5. Lifts should inspected by competent persons. 6. Vehicles should be inspected periodically .</p>
Compliance Classifications	Immediate Action Required

Local Law	1. Bangladesh Factories Rules 1979- Rule 40: No machinery, plant or equipment shall be constructed, situated, operated or maintained in any factory in such a manner as to cause risk of bodily injury. 2. Bangladesh Factories Rules 1979- Rule 46 (1): No lifting machine and no chain, rope or lifting tackle, except a fibre rope or fibre rope sling, shall be taken in use in any factory for the first time in that factory unless it has been tested and all parts have been thoroughly examined by a competent person and a certificate of such a test and examination specifying the safe working load or loads, and signed by the person taking the test and the examination, has been obtained and is kept available for inspection.
Benchmark ID	HSE.6.1
Benchmark Details	All safety and medical equipment (e.g. fire fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to workers.
Finding Details	1. Factory has provided 20 pairs of hand gloves, 27 gas masks, 4 gum boots, 25 helmets for 228 members of fire brigade. 2. First aid kits checked at random lacked sterilized gauze and saline water.
Recommendation for Immediate Action	1. Factory should provide adequate equipment to fire brigade to fight fires. 2. First aid kits should be equipped with sterilized gauze and saline water.
Compliance Classifications	Immediate Action Required
Local Law	1. Bangladesh Factories Rules 1979- Rule 55 : The first-aid boxes or cup-boards shall be distinctively marked with a red cross on a white ground and shall contain the equipment as prescribed under rules.
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.

Finding Details	1. Factory does not ensure that all training sessions allow for proper distancing. 2. Factory has not posted information on room capacities to allow for at least 1 meter distance between individuals, at all relevant locations. 3. Maximum occupancy is not posted at the entrance of all worker common areas to limit the number of workers inside at a given time. 4. Factory does not have procedures to quarantine employees who are back from the regions that are considered at-risk for COVID-19 exposure. 5. Factory has not taken steps to improve ventilation. 6. Factory has not reduced the number of workers in each room, to minimize the risk of COVID-19 transmission. 7. Factory does not ensure that workers do not share any personal items such as: cutlery, cups, straws, water bottles, or cosmetics
Recommendation for Immediate Action	1. Factory should ensure that all training sessions allow for proper distancing. 2. Factory should post information on room capacities to allow for at least 1 meter distance between individuals, at all relevant locations. 3. Maximum occupancy should be posted at the entrance of all worker common areas to limit the number of workers inside at a given time. 4. Factory should have procedures to quarantine employees who are back from the regions that are considered at-risk for COVID-19 exposure. 5. Factory should take steps to improve ventilation. 6. Factory should reduce the number of workers in each room, to minimize the risk of COVID-19 transmission. 7. Factory should ensure that workers do not share any personal items such as: cutlery, cups, straws, water bottles, or cosmetics
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.29
Benchmark Details	Employers shall provide all necessary protection for workers when working at heights, confined spaces, and other high-risk areas.
Finding Details	1. Confined spaces are not fenced and warning signs are not posted to warn workers. 2. Helmets provided for maintenance workers was being used by construction workers.

Recommendation for Immediate Action	1. Confined spaces should be fenced and warning signs should be posted to warn workers. 2. Helmets provided for maintenance workers should be used by maintenance workers.
Compliance Classifications	Immediate Action Required
Local Law	Bangladesh Factories Rules 1979- Rule 42: No process or work shall be carried on in any factory in such a manner as to cause risk of bodily injury.
Benchmark ID	HSE.17.2
Benchmark Details	Employers shall train workers in proper lifting techniques, and items such as lifting belts shall be provided.
Finding Details	In the past 12 months, training on ergonomics was provided to 71 out 2180 workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.5.4
Benchmark Details	The emergency evacuation plan (EEP) includes procedures for notifying local community authorities in case of accidental discharge or release of chemical/waste products or any other environmental emergency.
Finding Details	Factory does not have a system to respond to gas emergencies.
Recommendation for Immediate Action	Factory should have a system to respond to gas emergencies.
Compliance Classifications	Immediate Action Required

Local Law	Bangladesh Factories Rules 1979- Rule 42: No process or work shall be carried on in any factory in such a manner as to cause risk of bodily injury.
Benchmark ID	HSE.30.2.4
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed: procedures that enable workers to raise health, safety, and environmental concerns.
Finding Details	Procedures are not defined for workers to raise health & safety concerns.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.30.2.6
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed:protections to workers who allege health, safety, and environmental violations;
Finding Details	Procedures are not defined to address retaliation to workers who report health & safety concerns.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
Benchmark ID	HSE.7
Benchmark Details	Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors, noise, dust) to health and safety hazards, including medical waste.
Finding Details	There are no defined procedures for maintenance of fall equipment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.8
Benchmark Details	Workers shall be provided with training on the use and maintenance of personal protective equipment. Training shall be upon hire with periodic refresher training offered to all workers. Management will ensure use of PPE as necessary.
Finding Details	In past 12 months, training on PPE was provided to only 161 out 2180 workers
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.14.2

Benchmark Details	Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use.
Finding Details	Training is not provided to workers on use of machinery and vehicles.
Recommendation for Immediate Action	Provide training to workers who use machinery and vehicles to ensure safe practices and to prevent accidents.
Compliance Classifications	Immediate Action Required
Local Law	

Benchmark ID	HSE.17.1
Benchmark Details	Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.
Finding Details	Anti-fatigue mats are not provided to workers with standing jobs. Some workers were using cushions to stand on.
Recommendation for Immediate Action	Anti-fatigue mats should be provided to workers with standing jobs.
Compliance Classifications	Immediate Action Required
Local Law	Bangladesh Factories Rules 1979- Rule 42: No process or work shall be carried on in any factory in such a manner as to cause risk of bodily injury.

Hours Of Work (HOW)

Benchmark ID	HOW.8.2
Benchmark Details	All overtime work shall be consensual, and employers shall enact a voluntary overtime system, including for overtime utilized in exceptional circumstances*.

Finding Details	Factory does not obtain written consent at all from workers for overtime work. As legally required, factory obtains written consent from female workers working beyond 10 pm from the jaquard section, however, they do not obtain the written consent from female workers from other production processes. Workers had no complaints and stated that they could refuse to work overtime at any time.
Recommendation for Immediate Action	Written consent should be obtained from workers prior to working overtime.
Compliance Classifications	Immediate Action Required
Local Law	Bangladesh Labor Rules 2015- Rule 99: However, as per the regulation of Section 108, the workers can be made to work for maximum 10 hours on the condition of giving remuneration for overtime hours. In addition, in that case, the worker's consent has to be gained and he/she has to be informed minimum two hours before the commencement of overtime works. Bangladesh Labor Rules 2015- Rule 103 (1) : Written consent of the female worker as per Form-35 has to be obtained if she is to work from 10:00 PM (22:00 hours) to 06:00 AM (06:00 hours).
Benchmark ID	HOW.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.
Finding Details	Review of time cards for sampled workers from September 2021 revealed that workers worked for 15 hours a day which exceeds the daily work hour limit of 12 hours.
Recommendation for Immediate Action	Workers should not be required to work beyond legal daily limits for working hours.
Compliance Classifications	Immediate Action Required

Local Law	Bangladesh Labour Act 2006 (Updated in 2015) CHAPTER IX WORKING HOUR AND LEAVE section 100 - Daily working hour - No adult worker shall ordinarily work or be required to work in an establishment for more than 8 (eight) hours in a day: Provided that subject to the provisions of section 108, any such worker may work in an establishment up to 10 (ten) hours also in a day. Ministry of labour notification no. 40.00.40.016.30.008.17.33 dated July 16, 2020 – Effective April 13, 2021 valid for 6 months – workers are permitted to work 4 additional hours after completing regular working hours with their consent.
Benchmark ID	HOW.9.2
Benchmark Details	Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances sufficiently in advance to allow workers to make alternative plans.
Finding Details	Workers are informed of the need to work overtime during the lunch break.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HOW.21
Benchmark Details	Other than in exceptional circumstances, the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.
Finding Details	Review of time cards from April 2021 and September 2021 for sampled workers revealed that workers worked up to 80 hours a week.
Recommendation for Immediate Action	Workers should not be required to work beyond 60 hours a week.

Compliance Classifications	Immediate Action Required
Local Law	Bangladesh Labour Rules 2006 (amended in 2015)- Chapter IX- section 102. Weekly working hours (1) No adult worker shall ordinarily work or be required to work in an establishment for more than 48 (forty-eight) hours in a week. (2) Subject to the provisions of section 108, an adult worker may work for more than 48 (forty-eight) hours also in a week: Provided that the total working hours of such worker shall not exceed 60 (sixty) hours in a week and on the average 56 (fifty-six) hours per week in a year.

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