



## INDEPENDENT EXTERNAL ASSESSMENT REPORT

### Verification

COMPANY: PVH Corp  
COUNTRY: Bangladesh  
PRODUCT: Apparel  
PROCESSES: Cut, Sew  
NUMBER OF WORKERS: 1749  
NUMBER OF WORKERS INTERVIEWED: 45  
ORIGINAL ASSESSMENT DATE: 11/30/15  
ORIGINAL ASSESSMENT MONITOR: T Group Solutions Pvt Ltd  
VERIFICATION ASSESSMENT DATE: 12/26/17  
VERIFICATION ASSESSMENT MONITOR: Insync Global  
ORIGINAL ASSESSMENT NUMBER: AA0000001920

#### FLA Comment:

This SCI is a verification assessment of assessment AA0000001920. All corrective action plan updates for AA0000001920 will be published on this report.



# Understanding this Assessment Report

This report is to verify the remediation status of findings from a previous workplace assessment based on the Fair Labor Association's Sustainable Compliance methodology (SCI). This report also includes new findings utilizing the SCI methodology. The SCI assessments evaluate a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle. SCI assessments are conducted by FLA accredited assessors.

This report identifies the status of remediation of violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions. It also includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each finding as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section of each finding.

## Glossary

**Code violation:** failure to meet standards outlined in the [FLA Workplace Code of Conduct](#) in the workplace implementation of employment or management functions.

**Employment Functions:** The different components of the relationship between management and employees in a factory. An employment function is a process regulating an aspect of the employment relationship, such as the recruitment of workers. All employment functions together constitute the employment relationship between an employer and an employee.

1. Recruitment, Hiring & Personnel Development (e.g., performance reviews)
2. Compensation (e.g., wages, health care)
3. Hours of Work (e.g., overtime, documentation of working hours)
4. Industrial Relations (e.g., collective bargaining agreements)
5. Grievance System (e.g., worker communication with management)
6. Workplace Conduct & Discipline (e.g., discrimination, harassment)
7. Termination & Worker Retrenchment (e.g., downsizing, resignation)
8. Health & Safety (e.g., exposure to chemicals)
9. Environmental Protection (e.g., energy saving)

**Management functions:** violations or risks related to an employment function could be caused by the absence – or a problem in the operation – of any one of the management functions or in more than one.

1. Policy
2. Procedure
3. Responsibility & Accountability
4. Review Process
5. Training
6. Implementation
7. Communication & Worker Involvement
8. Support & Resources (only for the in-depth level)

**Finding:** indicators of potential gaps between desired and actual performance of the workplace on different employment functions.

### Finding type

- . *Immediate action required:* discoveries or findings at the workplace that need immediate action because they not only constitute an imminent danger, risk the workers' basic rights, threaten their safety and well-being or pose a clear hazard to the environment, but also are clear non-compliances with the FLA Workplace Code of Conduct and local laws. Examples include a finding by the assessor that crucial fire safety elements are not in place or that there is underpayment of wages and/or worker entitlements or that there is direct discharge of waste water, etc.
- . *Sustainable improvement required:* findings that require sustainable and systematic actions. The factory will be asked to tackle the underlying root causes and to do so in a long-term and systematic manner to bridge the gap between actual and desired performance. Examples include a finding by the assessor that there is lack of termination policies and procedures in the workplace, lack of grievance system, etc.

. *Notable feature*: indicates a remarkable feature or best practice at a workplace. Examples might include workers' wages and benefits that are significantly above the industry average, or community benefits such as free daycare.

**Local law or Code Requirement**: applicable regulations and standards in a workplace, which serve as the basis for an assessment, as per local law or FLA Workplace Code of Conduct. When these two do not concur, the stricter of the two standards applies.

**Root causes**: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that the worker did not use the hearing protection equipment because such equipment was not provided by management. However, upon a more thorough evaluation of available information, the assessor might find that the worker was indeed supplied with hearing protection equipment and with written information about the importance of wearing hearing protection, but was not trained on how to use the equipment and that use of the equipment was not enforced in a consistent manner by management.

**Verification status**: The status of the remediation plan for each finding as determined by the assessor. The findings are labeled either Not Remediated, Partially Remediated, or Remediated.

**Company action plan**: a detailed set of activities outlined by the sourcing company and/or direct employer to address FLA findings.

# Findings and Action Plans

## FINDING NO.1

### POLICIES & PROCEDURES (MACRO)

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. The factory does not have written policies for the following Employment Functions: Termination & Retrenchment, Industrial Relations & Freedom of Association, Workplace Conduct & Discipline, and Grievance System.
2. The factory does not have complete procedures for the following Employment Functions: Recruitment, Hiring, & Personnel Development, Wages & Benefits, Termination & Retrenchment, Industrial Relations & Freedom of Association, Workplace Conduct & Discipline, and Environmental Protection.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.25, ER.26, ER.27, ER.29, and ER.32)

<b>Action Plan Status:</b>	<ol style="list-style-type: none"> <li>1. In Progress</li> <li>2. In Progress</li> </ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"> <li>1. 02/07/16</li> <li>2. 02/07/16</li> </ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"> <li>1. Immediate action: The factory has adopted and implemented following policies: Factory Code of Conduct , Non- disclosure Policy, Resigned and Termination policy, Final Settlement of Job Policy, Maternity Leave Benefit and Payment Policy, Bonus Policy, Policy on Misconduct, Hiring, Wages and Benefit, Leave, Termination &amp; Retrenchment, Industrial Relationship; Freedom of Association, Workplace Conduct &amp; Discipline, Working Hours, Compensation and Benefit, Overtime Policy, Child Labor, Forced labor, Harassment and Abuse, Discrimination, Employment Relationship, Women's Rights, Anti- bribery, Waste Handling and Disposal, PPE Use policy, Child Care Policy, Grievance Policy, Grievance Investigation Procedure, Emergency Action Plan, Human Trafficking policy, and Environmental Protection Policy. Additionally, factory management has obtained permission from concerned "Labor Department" on December 23, 2015 to adopt and implement those policies in the factory.</li> </ol> <p>Sustainable action: Factory's head of compliance will monitor all related policies on an annual basis, recommend amendments as needed, and will ensure employees are aware of such policies.</p> <ol style="list-style-type: none"> <li>2. Immediate action: The factory has adopted and implemented following policies: Factory Code of Conduct , Non- disclosure Policy, Resigned and Termination policy, Final Settlement of Job Policy, Maternity Leave Benefit and Payment Policy, Bonus Policy, Policy on Misconduct, Hiring, Wages and Benefit, Leave, Termination &amp; Retrenchment, Industrial Relationship; Freedom of Association, Workplace Conduct &amp; Discipline, Working Hours, Compensation and Benefit, Overtime Policy, Child Labor, Forced labor, Harassment and Abuse, Discrimination, Employment Relationship, Women's Rights, Anti- bribery, Waste Handling and Disposal, PPE Use policy, Child Care Policy, Grievance Policy, Grievance Investigation Procedure, Emergency Action Plan, Human Trafficking policy, and Environmental Protection Policy.</li> </ol>

	<p>Additionally, factory management has obtained permission from concerned “Labor Department” on December 23, 2015 to adopt and implement those policies in the factory.</p> <p>Sustainable action: Factory's head of compliance will monitor all related policies on an annual basis, recommend amendments as needed, and will ensure employees are aware of such policies.</p> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>07/11/16 : Pending PVH Verification.</li> <li>07/11/16 : Pending PVH Verification.</li> </ol>
<b>Completion Date:</b>	

**Verification Result:**

**1. Finding Status: Remediated**

**Explanation:**

Based on management interviews and documentation review, it was found that the factory has written policies for Termination & Retrenchment, Industrial Relations & Freedom of Association, Workplace Conduct & Discipline, and Grievance System.

**2. Finding Status: Partially Remediated**

**Explanation:**

Based on management interviews and documentation review, it was found that the factory has written procedures for Recruitment and Hiring but not for Personnel Development. There are written procedures for Wages & Benefits, Termination & Retrenchment, Industrial Relations & Freedom of Association, Workplace Conduct & Discipline, and Environmental Protection. [ER.28, ER.29, and ER.30]

**Root Causes:**

Lack of awareness on documenting a procedure for personnel development. Workers are promoted on request and not a systematic practice and there is no policy for personnel development. Hence management did not draft a written procedure for personnel development.

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.28, ER.29, and ER.30)

<b>Action Plan Status:</b>	Factory has corrected the issue
<b>Planned Completion:</b>	Factory has corrected the issue
<b>Progress Update:</b>	<p>Immediate action: Factory has introduced a policy on it and made it ware to all.</p> <p>Sustainable action: Factory has revised the earlier policy and introduced the new policy.HR &amp; Compliance department has arranged training on it. The training will be conducted each of the months during orientation to the new workers. Management will review the policy annual basis and will update the clauses of the policy to the required area.</p>
<b>Completion Date:</b>	

**FINDING NO.2**

**TRAINING (MACRO)**

**FINDING TYPE:** Sustainable Improvement Required

### **Finding Explanation**

1. The factory does not provide specific training for relevant supervisors on the following Employment Functions: Recruitment, Hiring, & Personnel Development, Termination & Retrenchment, Workplace Conduct & Discipline, and Grievance System.
2. The factory does not provide ongoing training for employees on the following Employment Functions: Recruitment, Hiring, & Personnel Development, Termination & Retrenchment, Workplace Conduct & Discipline, and Grievance System.

### **Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.17, and ER.27)

<b>Action Plan Status:</b>	<ol style="list-style-type: none"><li>1. In Progress</li><li>2. In Progress</li></ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"><li>1. 02/09/16</li><li>2. 02/09/16</li></ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"><li>1. Immediate action: The factory has adopted and implemented following policies: Factory Code of Conduct , Non- disclosure Policy, Resigned and Termination policy, Final Settlement of Job Policy, Maternity Leave Benefit and Payment Policy, Bonus Policy, Policy on Misconduct, Hiring, Wages and Benefit, Leave, Termination &amp; Retrenchment, Industrial Relationship; Freedom of Association, Workplace Conduct &amp; Discipline, Working Hours, Compensation and Benefit, Overtime Policy, Child Labor, Forced labor, Harassment and Abuse, Discrimination, Employment Relationship, Women's Rights, Anti- bribery, Waste Handling and Disposal, PPE Use policy, Child Care Policy, Grievance Policy, Grievance Investigation Procedure, Emergency Action Plan, Human Trafficking policy, and Environmental Protection Policy. Additionally, factory management has obtained permission from concerned "Labor Department" on December 23, 2015 to adopt and implement those policies in the factory.</li></ol> <p>Sustainable action: Factory's head of compliance will monitor all related policies on an annual basis, recommend amendments as needed, and will ensure employees are aware of such policies.</p> <ol style="list-style-type: none"><li>2. Immediate action: HR and compliance personnel are in the process of conducting identified trainings.</li></ol> <p>Sustainable Action: Compliance and HR and departments will proactively work toward upskilling their teams. Periodic trainings and awareness-raising sessions will be conducted and tracked on employment practices. An annual training schedule will be created to ensure ongoing training is provided to all employees.</p> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"><li>1. 07/11/16 : Pending PVH verification.</li><li>2. 07/11/16 : Pending PVH Verification.</li></ol>
<b>Completion Date:</b>	

### **Verification Result:**

1. Finding Status: **Partially Remediated**

#### **Explanation:**

Based on worker interviews and documentation review, it was found that training on Personnel Development is not conducted but training on Recruitment, Hiring, Termination & Retrenchment, Workplace Conduct & Discipline and Grievance System is conducted for all 32 supervisors. [ER.17]

**Root Causes:**

Lack of understanding and awareness on Personnel development. Factory does not conduct performance evaluations as a systematic practice for all workers and conducts evaluation based on request from workers. Annual assessment is conducted on skill levels to provide additional annual increments beyond legal requirements. The practice of providing additional increments is followed to retain workers and reduce migration of skilled workers.

**2. Finding Status:** Partially Remediated**Explanation:**

Based on worker interviews and documentation review, it was found that training on Personnel Development is not conducted but training on Recruitment and Hiring, Termination & Retrenchment, Workplace Conduct & Discipline, and Grievance System is conducted. So far 1508 out of 1717 workers have been trained. Management stated that due to the retro fitting work in the building, scheduled trainings had to be delayed hence 100% workers have not been covered. [ER.30]

**Root Causes:**

Lack of understanding and awareness on Personnel development. As stated by management workers are not promoted unless they request for a promotion. Performance is then evaluated based on skills and deserving workers are promoted. Training for the rest of workers would be conducted within 3 months.

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.17, and ER.30)

<b>Action Plan Status:</b>	Factory has corrected the issue
<b>Planned Completion:</b>	Factory has corrected the issue
<b>Progress Update:</b>	Immediate action: Personal development training and procedure has been implemented.  Sustainable action: Factory compliance head has initiated the procedure. Thre training has started to all employees along with new employees at the time of orientation with proper record. This policy will be reviewed quarterly by factory compliance head if any changes are required.
<b>Completion Date:</b>	

**FINDING NO.3****ENVIRONMENTAL PROTECTION**

**FINDING TYPE:** Sustainable Improvement Required

**Finding Explanation**

1. The factory has not performed any environmental impact assessment.

**Local Law or Code Requirement**

FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1)

<b>Action Plan Status:</b>	In Progress
<b>Planned Completion:</b>	02/24/16
<b>Progress Update:</b>	<u>Original Action Plan</u> Immediate action: Factory management had conducted environmental impact assessment (EIA) in 2014. Records will be made more readily available for review. Sustainable action: Factory will pursue action on environmental findings as required.



	Progress Updates 07/11/16 : Pending PVH Verification.
<b>Completion Date:</b>	

**Verification Result:**

**1. Finding Status:** Remediated

**Explanation:**

Based on management interviews and documentation review, it was found that factory has conducted an environment impact assessment in December 2016. Envirotech International Ltd – an external agency, conducted the assessment. The assessment covered air emission; ambient air quality, sound/ noise, water, temperatures and recommendations are provided for installation of rain water harvesting system, planting of trees and installation of solar panel.

**FINDING NO.4**

**HEALTH & SAFETY**

**FINDING TYPE:** Immediate Action Required

**Finding Explanation**

1. In the cutting section, the exit door from the 3rd exit is a sliding door that has to be pushed sideways and is at times kept closed to prevent strong breezes and dust from entering the cutting area, posing a potential safety risk in case of evacuation.
2. Some of the workstations are not properly designed for workstation comfort as they are not adjustable. Some workers sit on high stools and bend over the table to work. Some workers in the bundling section sit on hard benches with no backrests. Some workers in the sewing section sit on hard stools. In addition, the factory does not provide ergonomic training or ergonomic breaks.
3. One of the four cutting machine operators working on the band knife machine in the cutting section were operating the machine without mesh gloves. In addition, approximately 3% of the overlock machine operators were not using the provided respiratory masks to prevent them from breathing in floating fabric dust.
4. The emergency lights have low illumination levels and may not be effective in case of an emergency evacuation. Additionally, an emergency light is missing above the exit on the 3rd floor that connects to the cutting floor in the adjacent building.
5. Aisles and evacuation route markings are faded in all work areas except in the cutting section. Hanger stands with ironed shirts were seen placed on evacuation routes and walkways. This practice could hamper quick and easy evacuation in case of an emergency.
6. Most workstations in the sewing and finishing areas are congested. There are numerous instances of 2 to 4 workers working at one workstation in the sewing stations. At least 2 workers were seen working at single ironing stations. There is only approximately 11 inches of space between the ironing tables. In over 50% of workstations, workers were sitting back to back, which could hamper and cause injury during an emergency evacuation. In approximately 30% of workstations in the sewing section and in most workstations in the ironing section, workers were completely caged in their workstations. Access to passages from most work stations was blocked with bins, tables, and hanger stands. This practice could pose a risk for quick and easy evacuation and could also injure workers during the evacuation process.
7. Needle guards on 70% of sewing machines have been tampered with to be pushed upwards, and eye shields on 10% of the overlock machines were pushed upwards, resulting in them being ineffective.
8. There are no designated traffic lanes; walkways are marked for traffic and vehicle movement. There are no speed limits and load capacities marked on vehicles. The factory has not provided any reflectors and indicators in traffic movement areas.
9. Septic tanks, which are confined spaces, are not marked.
10. The factory has not posted safety instructions near machinery, in workers' languages.



**Local Law or Code Requirement**

Bangladesh Labor 2006, Section 62; Bangladesh Factories Rules 1979, Rule 39 and Section 40; FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.1, HSE.5.1, HSE.14.1, and HSE.17.1)

**Recommendations for Immediate Action**

1. Replace the sliding exit door that has to be pushed sideways with doors that open in the direction of evacuation. Ensure that the doors are not locked during working hours.
2. Provide appropriate and adjustable work stations to reduce workers' risk of repetitive motion stress and bodily injury.
3. Provide the appropriate Personal Protective Equipment (PPE) to the cutting machine operators. Educate overlock machine operators on the use of eye shields. Monitor to ensure that the workers use PPE correctly. Train and regularly communicate workers on the requirement to use PPE.
4. Ensure that emergency lights are adequately illuminated and well maintained.
5. Clearly mark all aisles and evacuation route markings in all working areas. Ensure that faded markings are corrected on a regular basis.
6. Decongest the workstations in the sewing and finishing departments. Ensure that only one worker is at each station. If there is a need to have more than one worker in a workstation, provide adequate space. Keep paths from work areas to passages clear at all times for safe evacuation and remove any obstacles for a safe evacuation.
7. Educate workers on the proper use of needle guards and eye shields and monitor to ensure usage.
8. Mark traffic lanes clearly to prevent accidents. Communicate and train workers on the use of traffic lanes. Mark speed limits and load capacity on cargo vehicles. Install reflectors and indicators in areas where traffic moves about.
9. Mark confined spaces.
10. Post safety instructions near machinery in workers' languages.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"> <li>1. In Progress</li> <li>2. In Progress</li> <li>3. In Progress</li> <li>4. In Progress</li> <li>5. In Progress</li> <li>6. In Progress</li> <li>7. In Progress</li> <li>8. In Progress</li> <li>9. In Progress</li> <li>10. In Progress</li> </ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"> <li>1. 02/17/16</li> <li>2. 02/19/16</li> <li>3. 02/09/16</li> <li>4. 02/08/16</li> <li>5. 02/27/16</li> <li>6. 03/08/16</li> <li>7. 02/13/16</li> <li>8. 02/15/16</li> <li>9. 02/06/16</li> <li>10. 03/01/16</li> </ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"> <li>1. Immediate action: Factory has removed sliding door from location in question. Sustainable action: Factory management will ensure UL-certified fire-rated door at the location in question.</li> <li>2. Immediate Action: The factory will provide ergonomic breaks/exercises throughout the day. Sustainable Action: Compliance team will monitor this issue on a daily basis and inform</li> <li>3. Immediate action: Factory has provided mesh gloves to all operators of cutting machines and mask to all overlock machine operators. Sustainable action: Factory has begun conducting PPE training/awareness-raising on a weekly basis to all production staff.</li> <li>4. Immediate action: Factory Electrical department has changed the low</li> </ol>

	<p>illumination lights on exits and provided emergency light box in missing areas. Sustainable action: Factory Electrical and Maintenance Departments met with compliance staff to understand them the requirement of lighting in various places of the production floors and importance of exit light boxes. Electrical team is now daily monitoring light levels and related issues on a daily basis.</p> <p>5. Immediate action: Factory Civil department has updated the aisle marking where necessary. Hanger stand has been adjusted accordingly. Sustainable action: Factory management has instructed Civil department to monitor aisle markings and update as needed. Also, management instructed finishing manager prevent equipment from obstructing means of egress. Compliance team will monitor the production floors to address pathway markings and accessibility.</p> <p>6. Immediate action: Factory has cleared congested areas. Sustainable action: Factory has removed particular unusable material from production floor. Factory is currently working to develop a layout plan intended to further reduce congestion. General manager of administration has been assigned to address on this issue. The team is monitoring floor conditions on a daily basis and reporting to the respective head.</p> <p>7. Immediate action: Factory has provided appropriate needle guard to machine operators. Sustainable action: Factory has implements a system to monitor machine guards for each machine on a daily basis. Compliance team will conduct awareness program to employees and weekly checks.</p> <p>8. Immediate action: The factory will mark speed limits and load capacity on vehicles as well as provide reflectors and indicators for all areas used by forklifts and other traffic. Sustainable action: Factory will use an adjacent plot for vehicle traffic (shipment activities, wash vehicle, accessories vehicle, etc.), and original area will remain only as an employee exit passageway.</p> <p>9. Immediate action: Factory has appropriately marked the confined space area. Sustainable action: Factory has identified all confined spaces in this factory and marked them as such with details. Factory has arrange a training program to maintenance staff regarding confined spaces. Factory has established a system to monitor all confined spaces monthly basis and will keep a record.</p> <p>10. Immediate action: Factory has posted safety instructions at all machinery areas. Sustainable action: All mechanics and compliance team are instructed to confirm machinery safety instruction in native language to operators of each respective machine. Admin-GM leading the program to monitor on a daily basis and raise awareness to employees to follow the safety instructions over factory PA system.</p> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 07/11/16 : Pending PVH Verification.</li> <li>2. 07/11/16 : Pending PVH Verification.</li> <li>3. 07/11/16 : Pending PVH Verification.</li> <li>4. 07/11/16 : Pending PVH Verification.</li> <li>5. 07/11/16 : Pending PVH Verification.</li> <li>6. 07/11/16 : Pending PVH Verification.</li> <li>7. 07/11/16 : PVH to verify</li> <li>8. 07/11/16 : Pending PVH Verification.</li> <li>9. 07/11/16 : Pending PVH Verification.</li> <li>10. 07/11/16 : Pending PVH Verification.</li> </ol>
<b>Completion Date:</b>	

**Verification Result:**

1. Finding Status: **Remediated**

Explanation:

Based on visual observation, it was found that the exit door in the cutting has been replaced with a fire-resistant door opening outwards.

**2. Finding Status: Partially Remediated**

**Explanation:**

Based on visual observation it was found that some workers in the bundling section sit on hard benches with no backrests. Chairs with backrests are provided for sewing machine operators however these chairs have hard wooden seats. Several workers had placed cushions on the seat. Anti-fatigue mats are provided to workers with standing jobs. The factory has not conducted an ergonomics assessment, nor has it provided ergonomics training to affected workers. [HSE.17.1]

**Root Causes:**

Management felt that it would be easy for workers to climb back over the benches and move out in case of an emergency evacuation hence benches were not replaced with chairs. However, assessors are of the opinion that it would be easier for workers to move out from chairs than climbing over benches which may result in injury. Workers never complained and hence cushions were not provided. Management stated that they would consider providing cushions in a phased wise manner

**3. Finding Status: Remediated**

**Explanation:**

Based on visual observation it was found that cutting machine operators were using mesh gloves and over lock machine operators were using dust masks. Signage is posted instructing use of PPE.

**4. Finding Status: Remediated**

**Explanation:**

Based on visual observation, it was found that emergency lights are installed above all exits and provide adequate illumination.

**5. Finding Status: Remediated**

**Explanation:**

Based on visual observation, it was found that aisles and evacuation routes are well marked and are maintained clear. Hanger stands are placed closer to work stations and aisles are maintained clear.

**6. Finding Status: Not Remediated**

**Explanation:**

Based on visual observation, it was found that at around 30% of work stations in sewing section, two to three workers are working at each work station. Several were blocked in their work stations with little or no access to passages. Workers had placed bins to store garments blocking of their access to passages. Some workers were seen sitting back to back with backrest of their chairs touching each other leaving no or little space for chairs to be pushed back when they stand up. This may result in injury during the evacuation process. At around 70% work stations, garment collection bins were placed between two chairs used by workers facing opposite sides in adjacent work stations leaving no space for chairs to be pushed back. This arrangement would hamper easy and quick evacuation in case of emergency. [HSE.5.1]

**Root Causes:**

Management stated that work stations were being reset but agreed that there was lack of monitoring and implementation by supervisors of required standards. Assessors did not notice any work on realignment of work stations in progress during the visit.

**7. Finding Status: Partially Remediated**

**Explanation:**

Based on visual observation, needle guards on most sewing machines were pushed upwards rendering them ineffective in preventing injuries sewing machine operators' fingers. The eye shields on over lock machines were seen in the proper places. [HSE.14.1]

**Root Causes:**

Inappropriate type of needle guards that obstruct clear view of point of contact of needle with fabric. With the type of guards installed currently, workers do not get a clear view and tend to push it upwards to get a clear view and work faster.

**8. Finding Status:** Remediated

**Explanation:**

Based on visual observation it was found that there is no vehicular traffic movement inside the factory. Hence traffic lanes are not marked and convex mirrors and reflectors are not provided.

**9. Finding Status:** Not Remediated

**Explanation:**

Based on visual observation, it was found that the manhole for sewage tank is not marked and there is no signage indicating it as a confined space. This is located inside the male toilet in building # 2 and workers walk over it. The manhole for the water tanks located in buildings # 1 and # 2 is marked and signage is printed on paper is posted on the pillar near the manholes. The color pressing station is located on the underground water tank in building # 2. [HSE.1]

**Root Causes:**

As stated by management, the man hole for sewage tank was marked earlier but had faded (though no such indication or faded markings was seen by assessors). Signage was posted on a paper and may have been pulled off by workers. Work station was located on the water tank to accommodate the production process and will be relocated as recommended.

**10. Finding Status:** Remediated

**Explanation:**

Based on visual observation, it was found that safe operating instructions are posted near machines in local language

**Local Law or Code Requirement**

FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.1, HSE.5.1, HSE.14.1, and HSE.17.1)

**Recommendations for Immediate Action**

1. Provide chairs with back rest for workers sitting on hard wooden benches in bundling section.
2. Provided adequate space in work stations to allow workers easy and quick access to passages.
3. Install appropriate type of needle guards so workers maintain these in place to prevent injury to fingers while operating sewing machines. Furthermore, provide training on the proper use and safe operation of sewing machines.
4. Post signage and mark confined spaces.

<b>Action Plan Status:</b>	Factory has corrected the issue
<b>Planned Completion:</b>	Factory has corrected the issue
<b>Progress Update:</b>	<p>Immediate action:</p> <ol style="list-style-type: none"> <li>1. Factory management is working on it to purchase more logistic regarding this.</li> <li>2. Factory has removed congestion from the mentioned areas. Factory has removed some unusable material from production floor.</li> <li>3. Factory has provided appropriate needle guard.</li> <li>4. All confined space has been re-marked and color pressing machine also has re-located.</li> </ol> <p>Sustainable action:</p>

	<p>1. The Factory is now updating an inventory of the mentioned logistics and will allocate resources per the requirement. Compliance team will monitor this issue weekly basis.</p> <p>2. Factory management is thinking to revise the existing machine layout plan. In this regards internal team has been formed to work out a suitable machine layout plan that will be congestion free. At this moment basket and bins has been removed. Compliance team is monitoring each of the floors twice in a day. Factory is announcing relevant precaution thru the PA system daily during lunch break.</p> <p>3. Factory has implement a system to monitor machine guards to each of the machine on daily basis. HR team has arrange awareness program to employees monthly basis. Maintenance department has introduced a checklist to follow up weekly basis.</p> <p>4. The man hole for sewage tank was marked earlier but had faded .Signage was posted on a paper and may have been pulled off by workers. Work station already re-located and awareness builds up among the production staffs. Factory compliance department will arange awarness session on confined space each of the month.</p>
<b>Completion Date:</b>	

## FINDING NO.5

### HEALTH & SAFETY

#### FINDING TYPE: Immediate Action Required

##### Finding Explanation

1. The factory procedures do not cover the following topics: measures to protect reproductive health of employees through minimizing exposure to workplace hazards, how workers can raise Health & Safety concerns, protection against retaliation for workers who raise health and safety concern, s teps for reporting death, injury, illness and other Health & Safety issues.
2. The factory does not train workers in proper load lifting techniques. There are no formalized trainings on ergonomics, although some posters have been posted on load lifting techniques in warehouse. The factory does not provide lifting belts to applicable workers.
3. The factory has not conducted any fire risk assessment.
4. The factory has not provided any formalized training to relevant workers on the safe use of diesel, waste oils, and fresh lubricating oil.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety, & Environment Benchmarks HSE.5, HSE.9, HSE.12, and HSE.17; Nondiscrimination Benchmark ND.8)

##### Recommendations for Immediate Action

1. Provide eligible workers with lifting belts as proper Personal Protective Equipment PPE.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"> <li>1. In Progress</li> <li>2. In Progress</li> <li>3. In Progress</li> <li>4. In Progress</li> </ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"> <li>1. 02/29/16</li> <li>2. 03/06/16</li> <li>3. 02/14/16</li> <li>4. 03/02/16</li> </ol>
<b>Progress Update:</b>	<u>Original Action Plan</u>

	<ol style="list-style-type: none"> <li>1. Immediate action: Factory has revised procedures accordingly. Sustainable action: Factory management meanwhile established a Safety Committee, as stated in labor rules-2015, and those selected employees of the committee have been trained by an external third party on how to report on any injuries/accident/death or health &amp; safety issues to the management. New policies and procedures are announced to all employees over the factory PA system.</li> <li>2. Immediate action: The training is being conducted and provision and use of lifting belts have included. Sustainable action: Factory compliance department is conducting the training on ergonomics to all employees as well. Lifting belts have ensured to applicable workers. Necessary instructions and posters have been posted to inform about avoiding ergonomic injuries.</li> <li>3. Immediate action: Factory has conducted detailed fire risk assessment by internal team, and assessment has been performed by external party (Accord). Sustainable action: Factory is under Accord safety assessment. Factory is actively working to minimize fire risk and following the requirements of Accord. Factory has appointed full-time fire expert who monitors and implements all Accord requirement. Compliance team also carries out daily inspections in this regard.</li> <li>4. Immediate action: The respective trainings are being conducted by the concerned departments to relevant employees. Sustainable action: Factory has established an inventory of all hazardous material and monitoring system of such. Relevant employees are being trained periodically to handle hazardous materials. Maintenance in-charge has been assigned to monitor this issue.</li> </ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 07/11/16 : Pending PVH Verification.</li> <li>2. 07/11/16 : Pending PVH Verification.</li> <li>3. 07/11/16 : Pending PVH Verification.</li> <li>4. 07/11/16 : Pending PVH Verification.</li> </ol>
<b>Completion Date:</b>	

**Verification Result:**

**1. Finding Status:** **Not Remediated**

**Explanation:**

Based on documentation review, it was found that the factory procedures still do not cover the following topics: measures to protect reproductive health of employees through minimizing exposure to workplace hazards, how workers can raise Health & Safety concerns, protection against retaliation for workers who raise health and safety concern. [ER.31]

**Root Causes:**

Lack of understanding of the requirement to define procedures pertaining to these requirements.

**2. Finding Status:** **Partially Remediated**

**Explanation:**

Based on management and worker interviews and documentation review, it was found that training was conducted for 1508 out of 1717 workers on ergonomics which included loaders. However, lifting belts are not provided to loaders. Training for the remaining workers will be conducted within three months. [HSE.1, HSE.7]

**Root Causes:**

Delay in conducting training was due to retro fitting works in the factory from April to December 2017. As stated by management lifting belts were not provided as workers do not prefer to use them. Management lacks understanding of the requirement and importance of using lifting belts .

**3. Finding Status:** **Partially Remediated**

**Explanation:**

Based on management interviews and documentation review, it was found that a fire risk assessment is conducted every month as required by some customers that the factory works with. These assessments identify possible accidents, prevention and provision of PPE, but does not provide information on number of workers working in the location who would be impacted, frequency, probability and severity and impact of any possible accident and controls (engineering or administrative). [HSE.1, HSE.5]

**Root Causes:**

Lack of awareness on how to conduct a risk assessment.

**4. Finding Status: Remediated****Explanation:**

Based on worker interviews and documentation review, it was found that training is provided to workers handling chemicals including oils.

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety, & Environment Benchmarks HSE.1, HSE.5 and HSE.7)

**Recommendations for Immediate Action**

1. Provide eligible workers with lifting belts as proper Personal Protective Equipment (PPE).

<b>Action Plan Status:</b>	Factory has corrected the issue
<b>Planned Completion:</b>	Factory has corrected the issue
<b>Progress Update:</b>	Immediate action: Factory has provided lift belts to loaders.  Sustainable action: Factory will keep ready the PPE as it could be use during necessary time. Will provide poster and picture on use it. Compliance department will arrange training on it monthly basis.
<b>Completion Date:</b>	

**FINDING NO.6****RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT**

**FINDING TYPE:** Sustainable Improvement Required

**Finding Explanation**

1. There are no written procedures for Personnel Development. There is no information available on raising or broadening skills in order to advance workers in their careers, the steps and requirements in the promotion, demotion and reassignment scheme, written outcomes of promotion, demotion and reassignment provided to workers.
2. The factory does not communicate the Recruitment, Hiring, & Personnel Development policies and procedures and their updates to the general workforce.
3. Workers do not sign their evaluation reports for workers from the quality department. Furthermore, the evaluator's name is missing on the evaluation forms.
4. The factory does not provide job descriptions for all positions. There are no written job descriptions available for persons responsible for Health & Safety, Environment, and managing disciplinary procedures.

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.1.2, ER.1.3, ER.29, and ER.30)



<b>Action Plan Status:</b>	<ol style="list-style-type: none"> <li>1. In Progress</li> <li>2. In Progress</li> <li>3. In Progress</li> <li>4. In Progress</li> </ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"> <li>1. 02/10/16</li> <li>2. 03/05/16</li> <li>3. 02/08/16</li> <li>4. 03/12/16</li> </ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"> <li>1. Immediate action: The procedure has been developed and implemented. Sustainable action: Factory has revised and modified relevant procedure. Factory will adopt an effective HR system lead by HR head and will monitor such procedures on an annual basis.</li> <li>2. Immediate action: Compliance department has communicated such policies to the workforce. Sustainable action: Monthly trainings will be carried out to HR &amp; compliance teams. HR and compliance heads will announce all updates to their teams and conduct awareness-raising by posting on notice boards.</li> <li>3. Immediate action: Report has been signed by the quality department, evaluator and the worker. Sustainable action: GM-administration has instructed all evaluators and concerned employees to sign reports simultaneously.</li> <li>4. Immediate action: Factory management is developing job responsibilities for all positions. Sustainable action: Factory management is alerting respective employees when appointment letters are issued. Factory has already issued job responsibilities to those related to Health &amp; Safety, Environment and those who are managing disciplinary procedures.</li> </ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 07/11/16 : Pending PVH Verification.</li> <li>2. 07/11/16 : Pending PVH Verification.</li> <li>3. 07/11/16 : Pending PVH Verification.</li> <li>4. 07/11/16 : Pending PVH Verification.</li> </ol>
<b>Completion Date:</b>	

**Verification Result:**

**1. Finding Status:** **Not Remediated**

**Explanation:**

Based on documentation review, it was found that there are no written procedures for Personnel Development. There is no information available on raising or broadening, skills in order to advance workers in their careers, the steps and requirements in the promotion, demotion and reassignment scheme, written outcomes of promotion, demotion and reassignment provided to workers. Procedures state that performance evaluations will be conducted once every six months and annually, but does not specify criteria for evaluations and requirement to document (including obtaining signature of workers) and communication of evaluation results. [ER.28, ER.29, ER.30]

**Root Causes:**

Performance reviews are not conducted as a systematic practice for all employees as there is no policy for promotions. Promotions are based on request from workers and only skills are evaluated only to provide additional increment beyond legal requirements. This practice is followed to retain skilled workers. Discipline, attendance, team work, initiatives are not considered.

**2. Finding Status:** **Not Remediated**

**Explanation:**

Based on worker interviews and documentation review, it was found that factory does not communicate policies and procedures on Personnel Development to workforce. Policy and procedures on Recruitment and Hiring is communicated to supervisors and work force. [ER.1]

**Root Causes:**

Performance reviews are not conducted as a systematic practice for all employees as there is no policy for promotions. Promotions are based on request from workers and only skills are evaluated. Discipline, attendance, team work, initiatives are not considered.

**3. Finding Status: Partially Remediated**

**Explanation:**

Based on worker interviews and documentation review, it was found that workers sign on skill evaluation results conducted based on request from workers. Workers do not sign the annual evaluation results conducted for all workers. Entries in the annual evaluation sheet are made in pencil, which could be a risk for unauthorized changes at a later date. [ER.29]

**Root Causes:**

Lack of having defined procedures for conducting evaluations, monitoring and implementation of required procedure. No satisfactory reason could be provided for recording information using a pencil instead of using a pen and steps to prevent any unauthorized changes to results.

**4. Finding Status: Remediated**

**Explanation:**

Based on documentation review, it was found that the factory provides a written job description for persons responsible for Health & Safety, Environment, Grievance and for managing disciplinary procedures. Job descriptions are provided when workers are hired for production processes

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.28, ER.29, and ER.30)

<b>Action Plan Status:</b>	Improved
<b>Planned Completion:</b>	7/30/2018
<b>Progress Update:</b>	<p>Immediate action: Factory compliance head has prepared the policy of personal development and performance evaluation policy that has been included workers signature. Personal development training and procedure has been implemented.</p> <p>Sustainable action: Factory has arrange awarness to they new policy on promotion and personal development to all line leaders and as well as workers. This training will be done each of the month to new workers. Factory has posted necessary poster and policy in the main notice board that could easily visualized by the worker. Performance evaluation from will be filled out by taken necessary step as mentioned. Respective admin department will be work on it. This policy will be reviewed quarterly by factory compliance head and will update the clause to the required area. HR department will follow up the matter.</p>
<b>Completion Date:</b>	

**FINDING NO.7**

**COMPENSATION**

**FINDING TYPE:** Immediate Action Required

**Finding Explanation**

1. The factory does not conduct a periodic review and update of the Wages & Benefits policies and procedures.

2. The factory does not update information on leaves in the service books, as required by law.
3. The policy on eligibility of attendance bonus states that the monthly attendance bonus is not applicable if any kind of leave is taken. This practice might discourage workers from availing casual or sick leave.

**Local Law or Code Requirement**

Bangladesh Labour Code 2006, Section 7(2); FLA Workplace Code (Employment Relationship Benchmark ER.1; Compensation Benchmarks C.1 and C.12)

**Recommendations for Immediate Action**

1. Update and maintain service books to provide accurate information on leave. Ensure that there are no policies and procedures which discourage workers from taking leaves that they are entitled to.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"> <li>1. In Progress</li> <li>2. In Progress</li> <li>3. In Progress</li> </ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"> <li>1. 03/09/16</li> <li>2. 03/15/16</li> <li>3. 02/07/16</li> </ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"> <li>1. Immediate action: Factory has begun a review of the Wages &amp; Benefits policies and procedures. Sustainable action: Factory has established a system so that after six months all the policies related to wages and benefits will be reviewed by HR &amp; Compliance heads and updated with necessary changes.</li> <li>2. Immediate action: Factory has updated information on leaves accordingly. Sustainable action: HR department will actively work to enter leave data in service books. Compliance team will monitor this issue on monthly basis</li> <li>3. Immediate Action: The factory has revised the policy and removed language stating that attendance bonuses would not be applicable if any type of leave has been taken. The new policy was adopted on December 23 2015 and was approved by the relevant labor authorities. Sustainable action: HR department has revised the policy. Compliance team has created an awareness program for all employees to ensure better understanding.</li> </ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 07/11/16 : Pending PVH Verification.</li> <li>2. 07/11/16 : Pending PVH Verification.</li> <li>3. 07/11/16 : Pending PVH Verification.</li> </ol>
<b>Completion Date:</b>	

**Verification Result:**

**1. Finding Status: Remediated**

**Explanation:**

Based on management interviews and documentation review, it was found that factory has a written statement defining review and update of all written policies and procedures once every six months. These were last reviewed on July 1, 2017 and revision is due on January 1, 2018.

**2. Finding Status: Not Remediated**

**Explanation:**

Based on documentation review, it was found that the factory does not update information on leaves in the service books, as required by law. [C.1]

**Root Causes:**

Management could not provide a satisfactory reason for non - remediation and stated it was lack of monitoring and implementation by the responsible staff.

**3. Finding Status:** **Not Remediated**

**Explanation:**

Based on documentation review, it was found that there is no change in the policy and practice on eligibility of attendance bonus. Monthly attendance bonus is not applicable if any kind of leave is taken. This practice might discourage workers from availing casual or sick leave. [C.12]

**Root Causes:**

As stated by management, the policy is to encourage workers to come to work. The policy is intended on providing attendance bonus on physical presence at work

**Local Law or Code Requirement**

Bangladesh Gazette 2015 second chapter, section 20; FLA Workplace Code (Employment Relationship Benchmark ER.1; Compensation Benchmarks C.1 and C.12)

**Recommendations for Immediate Action**

1. Update and maintain service books to provide accurate information on leave.
2. Revise the attendance bonus to state that it is not applicable is any unauthorized leave is taken. Ensure that there are no policies and procedures which discourage workers from taking leaves that they are entitled to.

<b>Action Plan Status:</b>	Factory has corrected the issue
<b>Planned Completion:</b>	Factory has corrected the issue
<b>Progress Update:</b>	<p>Immediate action: Factory has started documented the leave in service book. Sustainable action: Factory has designated staff to document the leave record in service book. HR department will monitor the issue monthly basis.</p> <p>Immediate action: Attendance bonus policy has been changed by the compliance head of the factory.</p> <p>Sustainable action: This policy has been changed and discussed with workers meeting and hanged a visual place for all workers understanding. Factory compliance head approved the policy with sign and chop.</p>
<b>Completion Date:</b>	

**FINDING NO.8**

**HOURS OF WORK**

**FINDING TYPE:** Immediate Action Required

**Finding Explanation**

1. The Hours of Work policy quotes the legal requirements and does not specify the factory policy. The Hours of Work procedures do not cover the following topics: recording working hours, a definition of extraordinary business circumstances, trainings to be conducted, and special provisions for identifying pregnant/lactating women or any special category of workers.
2. The factory does not have a system in place to identify pregnant or lactating women.
3. As stated by the management, production planning and targets are calculated and set based on 10 hours of work per day.  
All workers work more than 60 hours a week, violating legal limits. A review of time records for March/July 2015 (nonpeak period) and August/October 2015 (peak period) revealed that 40 out of 45 sampled workers worked up to 12 to 14 hours a day and between 60 to a maximum of 64 hours per week during at least 2 weeks in each of the months reviewed

4. As stated by the management, the factory has no official written procedures on breaks. Thus, there is no official or clearly- defined break after the lunch break at 2.30pm although workers are free to take a break if they wish to. Since breaks are not clearly defined in the procedures, the factory violates local legal requirements that state that they have to provide 30 minutes after every time frame of 5.5 of continuous work of 1 hour after 6 hours of continuous work. There were instances where workers worked until 9pm, resulting in 6.30 hours of continuous work after the lunch break, which does not comply with legal requirements.

**Local Law or Code Requirement**

Bangladesh Labor Code 2006, Sections 100, 101, and 102(2); FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.24; Hours of Work Benchmarks HOW.1, HOW.3, HOW.5, and HOW.8)

**Recommendations for Immediate Action**

1. Review the production plan, and ensure that production is planned and targets are set based on 8 regular hours of work.
2. Ensure that workers do not work more than the legally limits of 10 hours a day.
3. Ensure that workers do not work more than 60 hours per week.
4. Provide breaks as per legal requirements (30 minutes after 5.5 hours of continuous work or 1 hour after 6 hours of continuous work).
5. FLA affiliate Company’s Sourcing and Social Compliance teams should: a) implement FLA Principles of Fair Labor and Responsible Sourcing and b) accordingly coordinate on the topics mentioned below to help the factory address its excessive hours issue:
  - a. How to provide better order forecasts to the factories;
  - b. Possible workshops/consultancy for the factory on how to improve productivity/quality;
  - c. Clear guidelines on how to extend shipment deadlines in case of contingencies;
  - d. Steps that factory management must follow if overtime is inevitable (steps for how to communicate with the brand’s Sourcing and Social Compliance teams);
  - e. Clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks;
  - f. Clear guidelines on how and when the factory can use subcontractors and/or temporary workers to avoid excessive overtime.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"> <li>1. In Progress</li> <li>2. In Progress</li> <li>3. In Progress</li> <li>4. In Progress</li> </ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"> <li>1. 03/19/16</li> <li>2. 02/07/16</li> <li>3. 03/06/16</li> <li>4. 02/23/16</li> </ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"> <li>1. Immediate action: Factory has updated the working hours policy. Sustainable action: Factory compliance head reviewed the policy of working hours and communicated it to employees. Factory ensured all types of benefit as stated in local law.</li> <li>2. Immediate action: Factory has implemented a system to identify pregnant or lactating women.  Sustainable action: Factory's compliance head reviewed the policy of working hours and accordingly informed employees. Regarding identifying of pregnant/lactating women, there is a list maintained and updated by medical doctors and nurse.</li> <li>3. Immediate action: Factory will reduce extra working hours gradually in each subsequent month. Sustainable action: Factory CEO has instructed production head and IE head to make a proper production plan thus reducing extra working hours gradually in each successive month. HR department to track and report to CEO.</li> <li>4. Immediate action: HR department updated the policy and accordingly informed employees. Supervisors will also be trained on the new break policy.</li> </ol>

	<p>Sustainable action: Factory management is providing 30 minutes break after every 5 hours per shift. Compliance head updated the policy and informed workers. HR department will monitor the issue on a weekly basis.</p> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 07/07/16 : Pending PVH Verification.</li> <li>2. 07/07/16 : Pending PVH Verification.</li> <li>3. 07/07/16 : Pending PVH Verification.</li> <li>4. 07/07/16 : Pending PVH Verification.</li> </ol>
<b>Completion Date:</b>	

**Verification Result:**

**1. Finding Status: Partially Remediated**

**Explanation:**

Based on management interviews and documentation review, it was found that the Hours of Work policy specifies the factory policy. Working hours and break timings are defined. The Hours of Work procedures do not include information on special provisions for identifying pregnant/lactating women or any special category of workers. [HOW.5]

**Root Causes:**

Lack of awareness of FLA benchmarks. Management stated that there no separate working hours or provisions for special category of workers and hence was not included in the policy

**2. Finding Status: Partially Remediated**

**Explanation:**

Based on management and worker interviews and visual observation, pregnant workers are issued yellow cards to wear in the factory, but no system has been implemented to identify disabled workers. [HOW.1, ER.1]

**Root Causes:**

Management stated they missed to introduce a system to identify such workers as there were few disabled workers and more importance is given for safety of pregnant workers

**3. Finding Status: Partially Remediated**

**Explanation:**

Based on management and documentation review, it was found that production is planned for 8 hours of work per day. Production is balanced through the year and there are no peak and non-peak periods. Review of time records from January 2017, July 2017 and November 2017 revealed that workers had worked up to 68 hours a week during July 2017 and up to 60 hours a week during January 2017 and November 2017. [HOW.1]

**Root Causes:**

As stated by management, workers usually work 60 hours a week, however, due to delays in approvals or work load, at times due to high absenteeism of workers, workers work beyond 60 hours a week.

**4. Finding Status: Remediated**

**Explanation:**

Based on management and worker interviews and documentation review, written procedures on working hours defines lunch break of one hour (1pm to 2pm and 1.30pm to 2.30pm) that is provided and further states that a break for 30 minutes will be provided after 5.5 hours of work but the break timing is not defined. Post lunch break at 2pm workers had worked until 9 pm on few days in July 2017 (for seven hours) and a break for 30 minutes was provided at 7pm. Management stated that some customers do not allow overtime work beyond 60 hours of week, which restricts working beyond 7pm ( regular working hours are from 8am to 5pm). Recording a break time from 7pm to 7.30 pm would expose additional working hours and would be a risk of factory being penalized by customers.

### Local Law or Code Requirement

Bangladesh Labor Code 2006, section 102(2); FLA Workplace Code (Employment Relationship Benchmark ER.1 ; Hours of Work Benchmarks HOW.1 and HOW.5)

### Recommendations for Immediate Action

1. Monitor and ensure workers do not work beyond 60 hours per week.
2. Create a system to identify and track the working conditions of pregnant workers that does not rely on a visual marker. The only individuals who should be informed of a workers health, disability or pregnancy status are the HR department, the worker's immediate supervisor, and the worker themselves.

<b>Action Plan Status:</b>	Improved
<b>Planned Completion:</b>	06/30/2018
<b>Progress Update:</b>	Immediate action: Factory is in process to reformation of the working hour policy. Personal development training and procedure has been implemented. Factory is in process to reformation of the working hour policy. Sustainable action: After completion the policy it will be discussed with the pregnant/lactating women and with any special category of workers. The policy will be shared with worker management committee. Indeed, factory is following special working hours for the pregnant and lactating workers but which are not documented in the policy. Admin department will follow up the matter monthly basis. Factory compliance head has initiated the training program accordingly to the staff and workers. This policy will be reviewed quarterly by factory compliance head and will update the clause to the required area. HR department will follow up the matter. After completion the policy it will be discussed with the pregnant/lactating women and with any special category of workers. The policy will be shared with worker management committee. Indeed, factory is following special working hours for the pregnant and lactating workers but which are not documented in the policy. Admin department will follow up the matter monthly basis.
<b>Completion Date:</b>	

## FINDING NO.9

## TERMINATION & RETRENCHMENT

**FINDING TYPE:** Sustainable Improvement Required

### Finding Explanation

1. There is no written policy and procedures for Retrenchment. The Factory Code of conduct states that in case of Termination, legal requirements will be followed; however, it does not provide the details of these legal requirements. The Termination & Retrenchment procedures do not define methods for calculating of terminal payouts.
2. The factory does not communicate the Termination & Retrenchment policies and procedures and their updates.
3. The factory does not conduct a periodic review and update of the Termination & Retrenchment policies and procedures.
4. The documents of workers who have received terminal dues have signatures that do not match with those on the wage records for previous months and on employment documents, indicating that the records and signatures might have been falsified.

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.19 and ER.32, Compensation Benchmark C.14)

### Recommendations for Immediate Action

1. Ensure that all terminal dues are paid correctly and confirmed by the resigned worker. Ensure that all signatures are verified and identify the person who is giving the signature.

<b>Action Plan Status:</b>	1. In Progress
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	<ul style="list-style-type: none"> <li>2. In Progress</li> <li>3. In Progress</li> <li>4. In Progress</li> </ul>
<b>Planned Completion:</b>	<ul style="list-style-type: none"> <li>1. 02/15/16</li> <li>2. 02/15/16</li> <li>3. 02/15/16</li> <li>4. 03/21/16</li> </ul>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ul style="list-style-type: none"> <li>1. Immediate action: HR department personnel have updated the policy.  Sustainable action: Factory compliance head reviewed the policy and incorporated the legal requirements and conduct awareness-raising to all employees. HR department will monitor this issue on a monthly basis.</li> <li>2. Immediate action: HR department personnel have updated the policy. Sustainable action: Factory compliance head reviewed the policy and incorporated the legal requirements and conduct awareness-raising to all employees. HR department will monitor this issue on a monthly basis.</li> <li>3. Immediate action: HR department personnel have updated the policy. Sustainable action: Factory compliance head reviewed the policy and incorporated the legal requirements and conduct awareness-raising to all employees. HR department will monitor this issue on a periodic basis.</li> <li>4. Immediate Action: The factory will establish procedures to ensure that all workers sign their receipt of termination dues. Sustainable Action: Management will conduct awareness-raising program to all employees. HR department will ensure the right payment is issued to the right person.</li> </ul> <p><u>Progress Updates</u></p> <ul style="list-style-type: none"> <li>1. 07/11/16 : Pending PVH Verification.</li> <li>2. 07/11/16 : Pending PVH Verification.</li> <li>3. 07/11/16 : Pending PVH Verification.</li> <li>4. 07/11/16 : Pending PVH Verification.</li> </ul>
<b>Completion Date:</b>	

**Verification Result:**

**1. Finding Status: Partially Remediated**

**Explanation:**

Based on documentation review, it was found that there is no written policy for Termination and Retrenchment but procedures are defined. Written procedures do not define methods for calculating of terminal payouts, timelines for payments and mode of payment and the need for maintaining all records to track payment of dues. [ER.19, ER.32]

**Root Causes:**

Lack of awareness in having a written procedure. As stated by management, employment of workers is never terminated or retrenched and hence procedures are not defined. In case of resignations or dismissals, legal guidelines are followed.

**2. Finding Status: Partially Remediated**

**Explanation:**

Based on worker interviews and documentation review, it was found that training on Termination and Retrenchment has been provided to 1508 out of 1717 workers and to 32 out of 32 supervisors. [ER.16]

**Root Causes:**

Management stated that due to the retro fitting work in the factory, scheduled training programs had to be delayed hence few workers were left out. Management expects to provide training to the rest within 3 months.

**3. Finding Status: Remediated**

**Explanation:**

Based on management interviews and documentation review, it was found that procedures were written on July 1, 2017 and next review is due on January 1, 2018.

**4. Finding Status: Remediated**

**Explanation:**

Based on documentation review, it was found that there were no mismatches in signatures on pay records for terminal dues and signatures seen on employment documents and wage records.

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.16, ER.19 and ER.32)

<b>Action Plan Status:</b>	Factory has corrected the issue
<b>Planned Completion:</b>	Factory has corrected the issue
<b>Progress Update:</b>	<p>Immediate action: A policy and procedure have been revised with incorporated calculating the benefits by factory compliance head. Rest of the employees are getting the training.</p> <p>Sustainable action: Though, factory has no termination or retrenchment from job after though factory compliance head made the revised of these policies to service benefit calculations. These policies are discussed with workers meeting and hanged in the policy board for all workers understanding. These policies are signed and chopped by compliance head and will be reviewed quarterly basis for any changes. All the benefits calculation is discussing in induction training too. Factory has assigned HR department to continue the training to all. Training will be monitor by HR department. Training will be conducted each of the months.</p>
<b>Completion Date:</b>	

**FINDING NO.10**

**INDUSTRIAL RELATIONS**

**FINDING TYPE: Sustainable Improvement Required**

**Finding Explanation**

1. The Industrial Relations & Freedom of Association procedures do not provide detailed information on the functioning of the Participation Committee (a joint worker-management committee), and they do not define factory systems for ensuring Industrial Relations & Freedom of Association.
2. The factory does not conduct a periodic review and update of the Industrial Relations & Freedom of Association policies and procedures.
3. The worker representative structure in the factory is not independent from management interference. The Participation committee is a joint worker-management committee where worker representatives are elected by workers and management representatives are elected by management; hence, management is involved with the functioning of the committee.

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.1; Freedom of Association Benchmarks FOA.10, FOA.11, FOA.12, FOA.13, FOA.14, and FOA.15)

<b>Action Plan Status:</b>	<ol style="list-style-type: none"> <li>1. In Progress</li> <li>2. In Progress</li> </ol>
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	3. In Progress
<b>Planned Completion:</b>	1. 03/27/16 2. 03/27/16 3. 03/27/16
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"> <li>1. Immediate action: "Freedom of Association" procedure has been revised and updated accordingly. Sustainable action: Factory compliance head revised the policy and procedure of freedom of association and conducted awareness-raising to PC members as well to all employees. Monthly monitoring will be conducted by Compliance team and documentation of this issue will be maintained.</li> <li>2. Immediate action: "Freedom of Association" procedure has been revised and updated accordingly. Sustainable action: Factory compliance head revised the policy and procedure of freedom of association and conducted awareness-raising to PC members as well to all employees.</li> <li>3. Immediate action: Factory will update the "Freedom of Association" procedure and will assist in creating a worker representative structure that is separate from management. Sustainable action: Factory management will establish a system where the worker representative committee can work more independently and will conduct regular meetings with management to convey the issues discussed at the independent meetings.</li> </ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 07/11/16 : Pending PVH Verification.</li> <li>2. 07/11/16 : Pending PVH Verification.</li> <li>3. 07/11/16 : Pending PVH Verification.</li> </ol>
<b>Completion Date:</b>	

**Verification Result:**

**1. Finding Status: Remediated**

**Explanation:**

Based on documentation review, it was found that factory has written procedure defining formation of Participation Committee, constitution, functioning and responsibilities. There are written procedures for ensuring Freedom of Association and Industrial Relation.

**2. Finding Status: Remediated**

**Explanation:**

Based on documentation review, it was found that factory has defined a date on written policy and procedures as July 1, 2017 and review period is defined as January 1, 2018.

**3. Finding Status: Not Remediated**

**Explanation:**

As the current structure of the joint worker-management participation committee is mandated by local law, no action can be taken by the factory.

**Local Law or Code Requirement**

FLA Workplace Code (Freedom of Association Benchmarks FOA.10)

<b>Action Plan Status:</b>	Factory has corrected the issue
<b>Planned Completion:</b>	Factory has corrected the issue

<b>Progress Update:</b>	<p>Immediate action: "Freedom of Association" procedures has been revised and updated accordingly.</p> <p>Sustainable action: Factory has revised the policy of freedom of association and arrange monthly awareness training to the all employees. This joint committee will be performed relevant activities guided by the law. Monthly meeting of the committee will be documented.HR department will monitor the matter each of the month.</p>
<b>Completion Date:</b>	

## FINDING NO.11

### GRIEVANCE SYSTEM

**FINDING TYPE:** Sustainable Improvement Required

**Finding Explanation**

1. Grievances are only received verbally and addressed by management. The factory does not maintain any documentation on grievances.
2. The factory does not encourage workers to use the complaint/suggestion boxes, although the factory does not restrict workers either. These boxes are installed in the toilets. As stated by the management, the factory never receives any suggestions/complaints.
3. The Grievance System procedures do not cover the following topics: how grievances are to be prioritized and addressed, a system for communicating back to workers, and the need for periodic reviews of the Grievance System policy and procedures.

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, and ER.25)

<b>Action Plan Status:</b>	<ol style="list-style-type: none"> <li>1. In Progress</li> <li>2. In Progress</li> <li>3. In Progress</li> </ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"> <li>1. 02/23/16</li> <li>2. 03/02/16</li> <li>3. 03/09/16</li> </ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"> <li>1. Immediate action: HR Department is following the documentation on related to grievance system accordingly. Sustainable action: Factory maintains a system of documentation and will record verbal accounts in order to ensure feedback to employees. GM-admin met with HR department personnel regarding this issue. Factory will keep a separate register to maintain log of written grievances and will provide feedback to workers accordingly.</li> <li>2. Immediate action: Factory has increased awareness and encouraged workers about the grievance channels. Sustainable action: Factory has arranged weekly awareness-raising programs by the Compliance department.</li> <li>3. Immediate action: Factory revised the grievance policy and procedure. Sustainable action: Factory compliance head has revised the grievance policy and procedure and begun awareness-raising program. Factory will provide feedback to workers based on priority of grievance. HR department will conduct periodic reviews of grievance channels.</li> </ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 07/11/16 : Pending PVH Verification.</li> <li>2. 07/11/16 : Pending PVH Verification.</li> </ol>

	3. 07/11/16 : Pending PVH Verification.
<b>Completion Date:</b>	

**Verification Result:**

**1. Finding Status: Remediated**

**Explanation:**

Based on management interviews and documentation review, it was found that grievances reported verbally are documented and signed by management representative.

**2. Finding Status: Remediated**

**Explanation:**

Based on management and worker interviews it was found that the workers use the grievance box and there were complaints regarding non-availability of footwear and soap in toilets and a grievance regarding non-availability of a prayer room for female workers. The factory now encourages workers to use the suggestion boxes. Communication is through the public-address system installed in all work areas.

**3. Finding Status: Partially Remediated**

**Explanation:**

Based on management interviews and documentation review, it was found that written procedures on grievance systems defines method of communication using the public-address system in work areas but does not include steps to prioritize grievances reported. Factory has a defined the reviewed period for all policies and procedures. [ER.25]

**Root Causes:**

Management stated that very few grievances are received and all grievances are addressed on priority and hence no separate procedure to prioritize grievances is followed.

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmark ER.25)

<b>Action Plan Status:</b>	Improved
<b>Planned Completion:</b>	07/30/2018
<b>Progress Update:</b>	Immediate action: Factory has already adopt a policy on prioritizing grievances.  Sustainable action: This issue will be discussed with the workers meeting and be communicated to all workers through the factory PA system.Factory will place a system to documented all the prioritizing grievance and reported this periodicly.
<b>Completion Date:</b>	

**FINDING NO.12**

**RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT**

**FINDING TYPE:** Immediate Action Required

**Finding Explanation**

1. The signature of the male doctor on the picture of workers on a few age certificates did not match with the doctor's signature at the end of the certificate, indicating that the doctor's signature might have been falsified.
2. Workers are legally required to obtain an age estimation certificate based on a physical health examination by a doctor.

This age estimation form completed by the doctor is kept in the workers' personnel files; however, the form has two invasive questions that violate workers' privacy and are improper in determining age. The two questions refer to the general growth of breasts and pubic hair as a factor for age verification. It cannot be guaranteed that the

health examination is completed in a gender-sensitive manner. In addition, the age verification certificate, including information concerning the two inappropriate questions is publicly accessible for factory visitors and managerial staff.

### **Local Law or Code Requirement**

Bangladesh Labor Code 2006, Chapter II, Section 3, Subsections 2 and 3; FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.2.1, ER.3, ER.10, and ER.22; Nondiscrimination Benchmarks ND.1 and ND.2.1)

### **Recommendations for Immediate Action**

1. Ensure that age certificates are reviewed and signed properly by the respective doctor. Review the information requested in the age estimation form, and ensure that no information pertaining to privacy of workers is recorded.
2. Review the age estimation forms to ensure that do not violate workers' privacy and remove the two inappropriate questions from the age verification forms. Ensure that all health examinations are done in a gender-sensitive manner.

<b>Action Plan Status:</b>	1. In Progress 2. In Progress
<b>Planned Completion:</b>	1. 02/08/16 2. 02/08/16
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"> <li>1. Immediate action: Document is signed by the factory doctor accordingly. Sustainable action: GM-admin instructed the doctor to sign the document accordingly, not simply using her initials. Compliance team will monitor this issue on a monthly basis.</li> <li>2. Immediate Action: The factory has removed the two invasive questions from the age estimation form and a new form has been rolled out in accordance with local law. Additionally, the factory is in the process of implementing another means of age verification, namely, dental verification. Furthermore, personal medical records will not be shared with factory management or visitors. Sustainable action: HR department and a medical team has been instructed by GM-admin, to follow the form of the new labor rules-2015, instead the older version. Compliance team will monitor this issue on a monthly basis.</li> </ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 07/11/16 : Pending PVH Verification.</li> <li>2. 07/11/16 : Pending PVH Verification.</li> </ol>
<b>Completion Date:</b>	

### **Verification Result:**

#### **1. Finding Status: Remediated**

##### **Explanation:**

Based on documentation review, it was found that there was no mismatch in signatures of doctor on age certificate.

#### **2. Finding Status: Remediated**

##### **Explanation:**

Based on worker interviews and documentation review, it was found that two invasive questions that violate workers' privacy and are improper in determining age have been removed from age estimation forms used in 2016.

# WORKPLACE CONDUCT & DISCIPLINE

## FINDING TYPE: Immediate Action Required

### Finding Explanation

1. The factory's service rules (Workplace Conduct and employment standards) are not approved as required by law.
2. Although the factory does not have a combined policy on Workplace Conduct, there are separate policies on Discipline, Harassment, and Violence-free Workplace. Procedures define the various types of misconduct but do not explain what actions would be taken based on the differing types of misconduct.
3. Verbal warnings are given for indiscipline or production errors; however, the factory does not document these warnings.
4. The factory did not provide all workers with a copy of the workplace rules during orientation.

### Local Law or Code Requirement

Bangladesh Labor Code 2006, Chapter II, Section 3, Subsections 2 and 3; FLA Workplace Code (Workplace Conduct & Discipline Benchmarks ER.2, ER.15, and ER.27)

### Recommendations for Immediate Action

1. Apply for and obtain approval of the factory service rules from the relevant government authorities.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"> <li>1. In Progress</li> <li>2. In Progress</li> <li>3. In Progress</li> <li>4. In Progress</li> </ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"> <li>1. 02/24/16</li> <li>2. 03/29/16</li> <li>3. 03/19/16</li> <li>4. 02/01/16</li> </ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"> <li>1. Immediate action: Factory management has already received the approval on all factory policies of this factory by the director of labor. Sustainable action: In 2015, Sep, labor rules, section-3, stated that if any owner who wishes to approval of the service rules, he can proceed but that this is not mandatory. However, factory compliance department gets the approval on all policies/procedure from the labor department.</li> <li>2. Immediate action: Factory already incorporated the discipline system for any misconduct based on the local law. Sustainable action: Factory GM-admin, instructed HR department manager to follow disciplinary measures related to any misconduct with the appropriate policy, periodically update the policy, and inform employees accordingly</li> <li>3. Immediate action: All verbal warnings are recorded accordingly. Sustainable action: HR department manager is instructed by the factory GM-admin to maintain and properly monitor the system. Compliance team will follow this issue on a monthly basis.</li> <li>4. Immediate Action: The factory is providing handbooks, inclusive of all workplace rules, to all employees at the time of recruitment. Sustainable Action: Factory management instructed the HR department to provide worker handbooks, inclusive of all workplace rules, to all employees at the time of recruitment and keep record of such instances. Compliance team will monitor this issue on a monthly basis. The factory will also provide training to all employees on workplace rules.</li> </ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 07/11/16 : Pending PVH Verification.</li> <li>2. 07/11/16 : Pending PVH Verification.</li> <li>3. 07/11/16 : Pending PVH Verification.</li> <li>4. 07/11/16 : Pending PVH Verification.</li> </ol>



<b>Completion Date:</b>	
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**Verification Result:**

**1. Finding Status:** Remediated

**Explanation:**

Based on worker interviews and documentation review, it was found that service rules have been certified and approved by the labor department.

**2. Finding Status:** Not Remediated

**Explanation:**

Based on documentation review, it was found that procedures define the various types of misconduct, but do not explain what actions would be taken based on the differing types of misconduct. Requirement to document verbal warnings is not defined. [ER.27]

**Root Causes:**

As stated by management, legal guidelines are followed hence no separate procedures are defined in writing. Management was not aware of FLA benchmark requirements.

**3. Finding Status:** Not Remediated

**Explanation:**

Based on management interviews and documentation review, it was found that verbal warnings are not documented. [ER.2]

**Root Causes:**

Management was not aware of FLA benchmark requirements.

**4. Finding Status:** Remediated

**Explanation:**

Based on worker interviews and documentation review, it was found that employee handbook is provided to all workers which includes workplace rules.

**Local Law or Code Requirement**

FLA Workplace Code (Workplace Conduct & Discipline Benchmarks ER.2 and ER.27)

**Recommendations for Immediate Action**

1. Document verbal warnings.

<b>Action Plan Status:</b>	Factory has corrected the issue
<b>Planned Completion:</b>	Factory has corrected the issue
<b>Progress Update:</b>	<p>Immediate action: The policy of disciplinary action has been revised. Factory compliance department is maintaining all types of verbal warning while receiving.</p> <p>Sustainable action: Factory has defined the policy on misconduct. Management has introduced the policy elaborately. Training and awareness will be scheduled monthly basis. All verbal warnings are documented in separate register. A system has been placed to monitor the issue weekly by HR department.</p>
<b>Completion Date:</b>	

**FINDING NO.14**

**WORKER INTEGRATION (MACRO)**

## **FINDING TYPE:** Sustainable Improvement Required

### **Finding Explanation**

1. The worker integration component is missing across all Employment Functions. This indicates that the factory has not established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes.

### **Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3 and ER.25.2)

<b>Action Plan Status:</b>	In Progress
<b>Planned Completion:</b>	04/30/16
<b>Progress Update:</b>	<u>Original Action Plan</u> Immediate action: Factory is beginning to implement this system. Sustainable action: Factory management is meeting with all employees to discuss the integration process. Management is also discussing the issue with various committees in the factory before initiating actions. HR department will work together with the Worker-Management Participating Committee on this issue and will conduct a meeting with them on a monthly basis.  <u>Progress Updates</u> 07/11/16: Pending PVH Verification.
<b>Completion Date:</b>	

### **Verification Result:**

#### **1. Finding Status:** Partially Remediated

##### **Explanation:**

Based on management and worker interviews, it was found that factory policies and procedures are discussed with "Participation Committee" which is a worker – management representative committee. However, feedback from worker representatives is not documented.

##### **Root Causes:**

As stated by management, need to document feedback was not considered and hence was not documented

### **Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmark ER.25.2)

<b>Action Plan Status:</b>	Factory has corrected the issue
<b>Planned Completion:</b>	Factory has corrected the issue
<b>Progress Update:</b>	Immediate action: The feedback from worker representatives is now documenting accordingly.  Sustainable action: Factory has placed a system to document all the meeting minutes of worker management committee as well as workers representatives. The feedback will be recorded in the separate register and be posted in the notice board. HR department will monitor the issue each of the month.
<b>Completion Date:</b>	

## (NEW) FINDING NO.15

### COMPENSATION

**FINDING TYPE:** Immediate Action Required

#### Finding Explanation

1. Date of payment is not recorded on pay record of termination dues. Consequently, it is unable to verify timely payment. [C.5]
2. Wages as part of terminal dues is paid during wage pay scheduled every month irrespective of last day of work. Legally wages that are part of termination dues are required to be paid within 7 working days post last day of work. [C.5, C.1, C.4]
3. Time records for the days worked in the month prior to termination of employment are not maintained along with pay records. [C.5, ER.2, ER.32]

#### Local Law or Code Requirement

Bangladesh labour Act 2006 – section 123; FLA workplace code (Employment Relationship Benchmarks ER.2, and ER.32; Compensation Benchmarks C.1, C.4, and C.5)

#### Recommendations for Immediate Action

1. Record date of payment on pay records for terminal dues.
2. Pay wages which are part of terminal dues within 7 days post termination of employment.
3. Maintain time records for days worked in the month prior to termination of employment along with pay records for easy understanding of calculations.

<b>Action Plan Status:</b>	Factory has corrected the issue
<b>Planned Completion:</b>	Factory has corrected the issue
<b>Progress Update:</b>	Immediate action: Factory is now following country law regarding payroll. Factory payroll officer is maintaining the time record.  Sustainable action: Factory will have placed a system to implement the requirement of law. The system will be monitored each of the month by respective Payroll Manager and Admin department. Factory will have placed a system to check the time records each of the month. Respective admin department will monitor the system monthly basis.
<b>Completion Date:</b>	

## (NEW) FINDING NO.16

### POLICIES & PROCEDURES (MACRO)

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. The policy on attendance bonus does not define any deductions for arriving late; however, a worker loses the attendance bonus if he/she is late for work. [C.1]
2. Written procedures on fire safety lacks the following information: [ER.31]
  - a. Designate and specify the assembly area for workers from individual production process or floors to avoid confusion and ensure safe evacuation process,
  - b. Steps on how to ensure that all personnel, visitors, contractors, service providers safely evacuated,
  - c. Steps on how to ensure that all special categories of workers and children in childcare facilities safely evacuated,
  - d. Steps that should be taken to protect workers if there is an accidental chemical spill, including identifying those who are responsible for cleaning up the spill, A list of confined spaces that require work permits, A

list of the workers (names and/or titles) responsible for managing fire equipment (in practice fire safety officer inspects fire equipment and in case of any repair / non-functional equipment, the same is outsourced to service providers.

- e. Guidance documents for external contractors/service providers concerning health and safety states PPE should be used but does not specify PPEs that are required like helmet and safety rope and rescue equipment. There is no written procedure for storage of material in the factory.

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmark ER.31; Compensation Benchmark C.1)

<b>Action Plan Status:</b>	Improved
<b>Planned Completion:</b>	06/30/2018
<b>Progress Update:</b>	<p>Immediate action: Attendance bonus policy has been changed immediately.</p> <p>Sustainable action: This policy has been changed and the new policy has been imparted to all worker. Factory has posted the new policy in the notice board. This policy has been included in the monthly training mminutes. Factory has introduced the policy on fire safety lack. New policy will be posted in different areas with local language. Compliance team will arrange training to workers. Factory will mapping ergonomical risk and will take necessary action on it.Admin department will monitor the issue monthly basis.</p>
<b>Completion Date:</b>	

**(NEW) FINDING NO.17**

**HEALTH & SAFETY (GENERAL)**

**FINDING TYPE:** Immediate Action Required

**Finding Explanation**

1. Dust masks provided were not being used by most sewing machine operators in building # 1. Excessive fabric dust was seen on their hair. [HSE.7]
2. The dining area on the terrace of building no. 1 is not covered to protect from rain and sun. [HSE.19]
3. Fall protection equipment, like helmets and safety ropes, and PPE were not being used by maintenance and construction workers working at heights. The helmet used by the boiler operator was damaged and would not prevent injuries. The safety rope was damaged in several areas but was kept for use. Workers loading fabric on an upper rack in the fabric storage area were seen standing on a platform ladder and were not using a helmet. The wheels of the ladder did not have any locking arrangement to prevent movement, and the workers had tied the ladder to the rack with a piece of cloth. [HSE.7]
4. The load capacity is not marked on storage racks in the fabric storage area. Fabric was stored above the marked heights. [HSE.1]
5. Fluorescent tube lights stored in a box is not marked for contents and hazards. [HSE.1]
6. There is only one trained childcare attendant employed at the factory. In her absence, a checker from the finishing section, who is not trained, is assigned for the day. [HSE.1]
7. A collar-pressing machine is located adjacent to manhole cover of a water tank and a worker was seen stepping on the cover while working. [HSE.1]
8. A spill response kit is not provided in waste oil storage room. Furthermore, secondary containers are not provided for four cans of oil sored in the room. Hazard labels are not posted on oil containers. [HSE.6, HSE.9]
9. A hand drying facility is not provided in the toilets. [HSE.20]

## Local Law or Code Requirement

Bangladesh Labour Act 2006 – sections 73, 74, 78; FLA Workplace code (Health, Safety & Environment Benchmarks HSE.1, HSE.6, HSE.7, HSE.9, HSE.19 and HSE.20)

## Recommendations for Immediate Action

1. Educate and monitor use of dust masks provided by sewing machine operators.
2. Cover the dining area on the terrace of building no. 1 to protect from rain and sun.
3. Monitor usage of fall protection equipment like helmets and safety ropes and PPE by maintenance and construction workers working at heights. Replace the damaged helmet used by boiler operator and safety rope kept for use. Ensure workers climbing height in fabric storage are use helmets. Provide locking arrangements on wheels of the ladder
4. Mark load capacity on storage racks in the fabric storage area. Restrict storage of fabric above marked heights
5. Mark box in which fused tube lights are stored for content and post hazard label.
6. Train a second attendant for child care.
7. Relocate the collar pressing machine away from man hole cover of a water tank
8. Provide spill response kit in waste oil storage room. Provide secondary container for 4 cans of oil sored in the room. Post hazard label on oil containers
9. Provide hand drying facility in toilets.

<b>Action Plan Status:</b>	In Progress
<b>Planned Completion:</b>	08/30/2018
<b>Progress Update:</b>	<p>Immediate action: Factory has provided lift belts to loaders. Construction work is going on regarding this. Spill response kit, secondary containers and hazard labels have been provided/posted in waste oil storage area.</p> <p>Sustainable action: Factory will keep ready the PPE as it could be use during necessary time. Will provide poster and picture on use it. Compliance department will arrange training on it monthly basis. Factory management has set that temporary basis. Once the construction work has been finished, management will established permanent system. Compliance personnel and maintenance in-charge will monitor the issue daily. Factory will arrange awareness to staff regarding advantage and disvantage on it. factory will introduce check list and reporting on it.</p>
<b>Completion Date:</b>	

## **(NEW) FINDING NO.18**

## **HEALTH & SAFETY (FIRE SAFETY)**

**FINDING TYPE:** Immediate Action Required

### Finding Explanation

1. A fire extinguisher is not provided in the childcare room. Construction material like rods, metal sheers, gas cylinders are kept in front of the temporary childcare room. No arrangement has been made to prevent children from accidentally walking out of the room, which may result in injury. [HSE.5]
2. One fire extinguisher is provided outside the waste oil and paper storage area, however it is completely blocked. Waste material is stored in front of the waste oil storage room restricting easy access to the room. Fabric stored in the rear end of the fabric storage area was partially blocking aisles. [HSE.5]
3. Designated emergency assembly areas outside the factory cannot be used, as part of the main road is under construction. Alternative assembly areas have not been designated. Cargo vehicles are parked in the assembly areas along the walls on the side of the factory. [HSE.1, HSE.5]

### **Local Law or Code Requirement**

Bangladesh Labour Act 2006 – sections 62; FLA Workplace code (Health, Safety & Environment Benchmarks HSE.1, and HSE.5)

### **Recommendations for Immediate Action**

1. Provide fire extinguisher in child care room. Make arrangements to prevent children from any possible injuries from construction material stored in front of child care room.
2. Ensure approach to fire extinguisher near waste storage areas is maintained clear at times.
3. Designated assembly areas and ensure these areas are maintained clear at all times.

<b>Action Plan Status:</b>	Improved
<b>Planned Completion:</b>	06/30/2018
<b>Progress Update:</b>	<p>Immediate action: Factory concern compliance department still working on that. Child care room has been shifted from the temporary location Necessary fire prevention has taken accordingly. Position of those fire extinguishers has been relocated as blockage free. Waste materials are also removed and ensured easy access to the room. Partial blockage has also been corrected in the fabric store.</p> <p>Sustainable action: Factory is working to mapping the vulnerable area. Based on this assessment factory will allocate resources. Compliance department will monitor the issue monthly basis. Child care room was shifted due to the building retrofitting work. The work work has completed and child care room already been shifted to the earlier location necessary fire suppression arrangement. Compliance department is continuing monitoring this issue as daily basis. Factory compliance team has been engaged to monitor this issue daily and report to the compliance head. Factory has increase training program on it and will conduct weekly training.</p>
<b>Completion Date:</b>	