



FAIR LABOR  
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## INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Fast Retailing Co., Ltd.  
COUNTRY: Bangladesh  
ASSESSMENT DATE: 07/23/18  
ASSESSOR: Insync Global  
PRODUCTS: Apparel  
NUMBER OF WORKERS: 8245

## Summary of Code Violations

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

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

## Findings and Action Plans

### FINDING NO.1

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Training (Macro)

##### Finding Explanation

1. Since January 2017, training has been conducted for between 2% and 18% of employees except for fire safety where 100% employees have been covered. There is no defined timeline to provide training for all employment functions for 100% of employees. [ER.1, ER.5, ER.15, ER.17]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.5, ER.15 and ER.17)

#### COMPANY ACTION PLANS

##### Action Plan no 1.

##### Description

1. Factory will develop a training action plan covering 100% employees and define time line to complete training by 30-Sept 2018. (In progress)

### FINDING NO.2

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Recruitment, Hiring & Personnel Development

##### Finding Explanation

1. There is no written policy on Personnel Development. The orientation/induction program does not cover Industrial Relations, Recruitment, or Hiring & Personnel Development. [ER.1, ER.28, ER.29, ER.30]

2. The factory assigns responsibilities to management staff based on worker strength, not by function. For example, one HR official is assigned to every 1000 workers and is responsible for all employment functions. [ER.28, ER.29, ER.30]

3. Worker performance evaluations are conducted based on (i) requests from workers and (ii) shortlisted workers based on daily production output. Based on the daily productivity report, workers are shortlisted and then sent for training on multi-skilled operations. Upon successful completion of the month long training, performance is evaluated and workers are promoted. The factory maintains an evaluation result sheet which lists criteria considered for promotion. The workers do not sign these sheets and the evaluation results are not shared with the workers. [ER.29]
4. Evaluation results are not discussed with workers. A list of workers to be promoted is forwarded to senior management and, upon receipt of approval, workers are promoted. A promotion letter is issued to the worker. [ER.29]
5. Per procedures, workers are promoted from junior operator to operator to senior operator to highly skilled operator to supervisor. However, based on a sample review of five workers, the assessors noted that one worker was promoted directly from junior operator to supervisor, overriding the procedure. There were no supporting documents, such as an evaluation sheet, to explain the reasons for the promotion from junior operator to supervisor. Moreover, there is no evidence to suggest if other workers were considered for this promotion. [ER.30]
6. There is no defined procedure for updating workers' files periodically to ensure updated information is available. The employment documents are not updated. 50% of the requested files for sampled workers were provided promptly for review and recommendation on areas requiring improvement was provided. However, the rest of the files were provided three hours after request. Management stated that these files took time because they needed to be obtained from each department. [ER.1, ER.2]
7. Acknowledgement slips for receipt of the handbook are signed by the worker and filed in their files. However, the acknowledgment slips do not include information such as the workers' name, date of hire, and department. [ER.1, ER.15]
8. Between January 2017 to June 2018, training on recruitment, hiring, and personnel development had been provided to 57 out of 452 supervisors and 1853 out of 6126 workers. [ER.1, ER.16, ER.28]
9. The nomination forms for the Provident Fund are not maintained in the individual worker files; instead, they are maintained with the accounting department. None of the sampled files for workers hired prior to 2017 had the nomination forms for wage payments. [ER.2]
10. The probation period is for four months and all legally mandated benefits are provided during the probation period. Local law allows four months of probation. However, the practice violates the FLA standard of three months. [ER.1, C.3]

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.15, ER.16, ER.28, ER.29, ER.30; Compensation Benchmark C.3)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory will develop a personal development policy accordingly by 30-Sept-2018 (In progress).
2. The factory is disagreeing with this finding because factory said they have proper Job Description (JD) for each HR Personnel based on HR function. In addition they have assigned every HR person to monitoring & resolve HR related issues for specific floor/area after consultation with concern responsible HR person. This purpose is basically to provide one stop & hassle free service to the workers.
3. Factory will maintain workers signature on the Workers performance Evaluation Sheet and share the evaluation result with those workers.
4. Factory has started sharing the evaluation result with workers by issuing individual letter. (In progress)
5. Factory will strongly monitor the performance evaluation and promotion policy. Factory will performance evaluation sheet or skill test report in every promotion as a supporting documents by 31-Oct-2018. (In progress)
6. Factory has developed the procedures for updating workers personal file periodically. They have also assigned the responsibility to the HR personnel and they will organize their file management systems.
7. Factory is including all missing information such as the workers' name, date of hire, and department in the acknowledgment slips of hand book.
8. Factory will increase training frequency on recruitment, hiring, and personnel development to the supervisors and workers.
9. Factory will maintain The nomination forms for the Provident Fund in the individual worker files.
10. The factory is disagreeing this finding since the probation period is for four months and all legally mandated benefits are provided. It is legal according to EPZ instructions.

## FINDING NO.3

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Recruitment, Hiring & Personnel Development

##### Finding Explanation

1. The workers' service cards are not updated and do not contain information as required to be provided, with the exception of names and start dates. [ER.1]
2. 30% of sampled workers' files hired in the past three years contained the original copies of age certificates. [F.9]
3. Individual workers are not issued letters to communicate the confirmation of employment after the completion of four months' probation. [ER.1]
4. The Abstracts of Acts (the local labor laws) are not posted in the facility. [ER.1]

##### Local Law or Code Requirement

Bangladesh Export Processing Zone Instructions Part VI, Section 6; Bangladesh Labour Act 2006, Chapter XXI, Section 337 (1) and Chapter II Section 8; FLA Workplace Code (Employment Relationship Benchmark ER.1; Forced Labor Benchmark F.9)

##### Recommendations for Immediate Action

1. Update workers' service cards periodically to ensure accurate information is provided.
2. Return original copies of age certificates to workers and maintain copies of these documents in workers files.
3. Issue letters to communicate confirmation of employment after the completion of four months' probation to individual workers.
4. Post Abstracts of Acts (the local labor laws) in the facility. These laws should be posted in the local language (Bangla).

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. The factory is disagreeing this findings because actually, they are maintaining service book automatically through software therefore manual service book which provided earlier was not updated.
2. Factory will review all their existing files and return the the original age certificates to the workers. Factory will train their recruitment staffs in this regard.
3. Factory has mentioned the details procedure about confirmation of employment in appointment letter. This practice is also fine as per labor law 2006 section 4 (8) [2[Provided further that a worker shall be deemed to be permanent in accordance with the provision of sub-section (7) notwithstanding he has not been issued any confirmation letter after completion of his probationary period or extended period of 3 (three) months.].
4. Factory will post the Abstracts of Acts (the local labor laws) in the notice board or visible location inside the factory.

## FINDING NO.4

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Compensation

##### Finding Explanation

1. The factory does not have a written compensation policy. [ER.1]
2. The written compensation procedure does not define the wage period and the requirement to provide wage slips. [ER.18]

3. The factory does not provide specific training on compensation. However, aspects are included in the Motivational Training, which has been conducted for 78 out of 452 supervisors and 1106 out of 6126 workers between January 2017 to July 2018. The Motivational Training includes information on wages and overtime compensation, but does not include information on calculation of leaves, benefits of the Provident Fund, calculations for contributions to the Provident Fund, and calculation of incentives and terminal dues. [ER.15, ER.17]

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, and ER.18)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory disagreeing this finding because factory has written and signed compensation policy which they have provided to the auditors. This is also mentionable that they are following the BEPZA Instructions properly where compensation details are provided.
2. Factory is disagreeing this finding because wage period and the requirement to provide wage slips clearly mentioned in the BEPZA instruction as well as company compensation policy.
3. Factory is disagreeing this finding because they are using training manuals & workers Hand book to train the workers where all information included.

## FINDING NO.5

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Compensation

#### Finding Explanation

1. The assessors noted instances where workers were paid between 30 and 45 days from their last day of work. As a systematic practice, the 14th, 20th, and 29th of every month is fixed for payment of terminal dues and the local law requires payment to be made within thirty days of the last day of work. [ER.19, C.4]

#### Local Law or Code Requirement

Bangladesh Labour Act 2006, Section 123; Amendment Act 2013, Section 37; FLA Workplace Code (Employment Relationship Benchmark ER.19; Compensation Benchmark C.4)

#### Recommendations for Immediate Action

1. Pay terminal dues within the legally defined timelines.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory is paying the resigned workers payments with in 7 working days and they have updated our policy regarding this. (Completed)

## FINDING NO.6

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Hours of Work

### Finding Explanation

1. Overtime work is systematic and not incidental. [HOW.1.2, HOW.8.4]
2. Sampled workers from all production processes have worked between 60 and 72 hours in at least two weeks in the months of July 2017 (Non-peak), December 2017 (Peak), and June 2018 (Current). [HOW.1.1, HOW.1.3, HOW.8.1, HOW.8.3]
3. Production planning during peak period (September, October, November and April, May and June) is based on a ten hour work day. [HOW.8.4]
4. Rest after every five hours of work is not provided when workers work overtime. For example, workers start work at 12:30PM after lunch and work until 8:00PM (7.5 hours) and no breaks are provided during these hours. [HOW.1.1]
5. Workers from all production processes worked for 13 consecutive days during the first two weeks of December. [HOW.2]
6. Upon use of available all sick leave, additional leave days are taken from workers' annual leave. The factory does not have a written policy and does not obtain written consent from workers. [HOW.18]
7. The factory provided an additional three days of leave along with Eid holidays. These three days were taken out of workers' annual leave. The factory provided a letter from the worker committee giving consent for this arrangement. However, the letter does not clarify that time will be taken out of workers' annual leave after casual leave is exhausted. [HOW.18]

### Local Law or Code Requirement

Bangladesh Labour Act 2006, Chapter IX, Sections 101(a) and Section 103; FLA Workplace Code (Hours of Work Benchmarks HOW.1, HOW.2, HOW.3, HOW.8, and HOW.18; Employment Relationship Benchmark ER 24)

### Recommendations for Immediate Action

1. Overtime work should only be used during exceptional circumstances and should not be a systematic practice.
2. Monitor and ensure that workers do not work more than 60 hours per week.
3. Production planning should cover only regular working hours and not include overtime working hours.
4. Ensure that workers are provided adequate rest between shifts.
5. Ensure workers are provided at least 24 consecutive hours of rest in every seven day period.
6. Obtain written consent from workers prior to using annual leave once sick leave is exhausted.
7. Obtain written consent from workers prior to using casual or annual leave for additional leave.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory is not doing O.T on regular basis. However, they will review working hour plan that O.T should be incident basis. (In progress).
2. Factory has taken some initiatives to reduce excessive O.T like shifting, increasing efficiency and manpower. Though they have a red flag monitoring system to notify the highest O.T in every section. (In progress)
3. Factory has started production planning for 08 Hours for few sections and others sections will be followed gradually. Moreover, they have taken some initiatives to reduce excessive O.T like shifting, increasing efficiency and manpower. Though they have a red flag monitoring system to notify the highest O.T in every section. (In progress).
4. Considering the request of the workers factory is not providing any formal tiffin break and instead of that they are paying additional OT compensation for 30 Minutes. Like 6:30 to 8:00 PM workers are suppose to get one & half an hour OT but they are paying 2 hours OT. This practice is basically allowing the workers to return home 30 minutes early. Considering the workers interest hope this practice will be acceptable by FLA.
5. Factory has taken some initiatives to avoid Friday work like shifting, increasing efficiency, machinery and manpower. From this year they are not doing any Friday work. FR continue to monitor to ensure that workers are enjoying their rest day.
6. Actually if HR found that sufficient SL balance is not available in that case they are providing EL after discussion with the workers verbally. However, they will update their policy accordingly by 31-Dec-2018. (In progress)
7. Factory has reviewed their leave policy and will take consent from workers to adjust CL & EL in eid holiday by 31-Dec-2018 (In progress).

## FINDING NO.7

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Hours of Work

##### Finding Explanation

1. The factory's procedures do not define how to record working hours in the event that workers forget to bring their cards or their cards get damaged or lost. [ER.23]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.23)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. Factory will ensure the in & out of the respective worker manually along with the consent from the worker and no penalty is applying for this type of case. Factory has included the procedure of missing attendance in their working hour policy by 30-Sept-2018 (In progress).

## FINDING NO.8

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Termination & Retrenchment

##### Finding Explanation

1. The factory's policy on termination and retrenchment quotes legal rules instead of factory's policy. [ER.32]

2. The factory's procedures on termination do not define the various types of termination, the steps for payment of terminal dues, and the methods/timelines for payment. The procedures on retrenchment do not define the conditions and steps to be followed for retrenchment of workers, payments to be made, or the rehiring process. The procedures do include termination of employment due to resignation. [ER.32]

3. Trainings are not conducted for employees on Termination and Retrenchment. [ER.15, ER.17]

4. The calculation sheet for payment of terminal dues is maintained but the time cards and leave cards are not maintained for workers who leave employment. [ER.19]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.15, ER.17, ER.19, and ER.32)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. Factory has updated termination and retrenchment policy incorporated with factory roles. (In progress by 30-Sept-2018)

2. Factory has updated the termination & retrenchment procedure accordingly. FR Representative has been reviewed the updated procedure and confirmed accordingly. (In progress by 30-Sept-2018)



3. Factory has already included the topic in our induction training. (In progress by 30-Sept-2018)
4. Factory will maintain the time cards and leave cards for workers who leave employment. (In progress)

## FINDING NO.9

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Industrial Relations

##### Finding Explanation

1. There is no written policy or procedure on Industrial Relations. [ER.1, ER.25]
2. Specific training on Freedom of Association is not provided. The only awareness provided is during training on brands' of Codes of Conduct. [ER.15, ER.17, ER.25]
3. Most workers are not aware of the identities of their worker representatives or how the committee functions. [ER.25, FOA.1]
4. The factory has a Worker Representative Welfare Committee. Workers nominate, but do not elect, workers' representatives. If workers are nominated, they become representatives so the election process is not followed. [FOA.1]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, ER.25; Freedom of Association Benchmark FOA.1)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. Factory is disagreeing about this finding because they have written policy and procedure on Industrial Relations but the auditor didn't ask for the policy.
2. Factory will conduct Specific training on Freedom of Association as per training action plan. (In progress)
3. Factory is educating their employees regarding Workers representatives and their activities. Moreover, they have posted their pictures in every production floor. (In progress)
4. Factory is disagreeing on this finding because "According to Section 05 & 06 of "EPZ Workers welfare Association & Industrial relations Act" of 2010 the management has taken all lawful steps (such as: Served the notice to the notice Board, Informed the workers through PA System, Discussed with Workers Welfare Committee members, make easy availability of "KHA form" in the HRD etc. ). Since required number of workers as per law did not response to form WWA, hence there is nothing to do from the part of the Management. You are aware that law does not allow any party (Employer & Workers) to compel to form or not to form WWA. Present WRWC (Workers Representation and Welfare Committee) have been functioning and every two months interval they are conducting a meeting with the committee members and take necessary steps accordingly as per decision of the meeting. However, awareness program with workers on formation of Workers Welfare Association (WWA) shall be continued."

## FINDING NO.10

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

##### Finding Explanation

1. The factory does not have a written policy on workplace conduct and discipline. However, the factory does have a document that provides legal information. [ER.27]



2. The written procedures provide legally required information but it does not define what action will be taken for each type of misconduct. [ER.27]

3. The factory has not provided specific training for HR staff on workplace conduct and discipline.

4. The factory does not provide workers with specific training but awareness is provided during the motivational training for 78 out of 452 supervisors, 1812 Managers, and 1106 out of 6126 workers between January 2017 and July 2018. [ER.15, ER.17, ER.27]

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.15, ER.17, ER.27)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has a workplace conduct and discipline policy.
2. Factory will include the types of action against misconduct in policy. (In progress)
3. Factory has provided specific Training for HR staff on workplace conduct and discipline but the auditors didn't ask for this document.
4. Factory will conduct specific training to the workers. (In progress)

## FINDING NO.11

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Workplace Conduct & Discipline

#### Finding Explanation

1. Based on the factory's policy, workers are dismissed for unauthorized absenteeism after providing written warnings and conducting an inquiry. The report of the inquiry conducted in absence of the worker is not shared with worker. The letter communicating dismissal is sent using government postal service to the worker. The letter does not include a provision for appeal and does not provide information on timelines for payment of terminal dues. Management stated that dues are paid whenever the worker approaches the management. [ER.27]

2. An inquiry conducted for supervisor misconduct was not accurately documented. A technician in the washing section filed a complaint against a supervisor for verbal and physical abuse. Based on the complaint, the supervisor was suspended from work on April 22, 2018. An inquiry was conducted on May 15, 2018 and a report of findings was provided to the management on May 19, 2018. The signature date for one of the two inquiry officers (General Manager - HR & Admin) is June 6, 2018 while the other signature has no date recorded. The statements from eight witnesses (filed separately and provided for review on request) were obtained in June 2018 (after date of inquiry report, May 15, 2018). Three of the statements were dated in early June 2018 and the rest had no date recorded. There is no information on the place and time where the inquiry was conducted and there is no evidence to verify if the accused cross examined the witnesses. Based on report of inquiry, evidence was found for verbal abuse but not for physical abuse. After the inquiry, management punished the supervisor by not paying seven days of sustenance allowance during the suspension period of 47 days. Based on available information, it cannot be verified if the inquiry was conducted in a fair manner and the punishment was appropriate. Although Bangladesh Labor Law allows for non-payment of wages not exceeding seven days as a punishment, BEPZA instructions does not define/allow any such punishment. Management stated that there is only one labour court and hence they follow the local law and not BEPZA instructions for Disciplinary practices. [ER.27]

3. A supervisor was not paid sustenance allowance for seven days as punishment for misconduct during period of suspension from work for 47 days. Sustenance allowance is the amount paid to a worker during the period when he/she is suspended due to a disciplinary proceeding until the inquire process is complete and the verdict has been given. Further review of records and interview with management revealed that the inquiry was not completed appropriately and all steps as defined by law were not followed. Though the local law allows for non-payment of wages not exceeding seven days, the practice does not comply with FLA workplace benchmark [H/A 2. ER.27, H/A.2]

4. Verbal warnings are not documented. [ER.27]

#### Local Law or Code Requirement

#### Recommendations for Immediate Action

1. All documentation pertaining to disciplinary actions initiated against any employee should be shared with the employee.
2. All inquiries shall be conducted in accordance with legal requirements and complete and accurate documentation should be maintained.
3. Monetary penalties should not be imposed for disciplining workers.
4. Verbal warnings should be documented.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. Factory is developing their total grievance handling system including formation of committee, updating procedure and training manual and providing training to grievance handling committee and existing employees regarding grievance procedure. FR is following up the grievance mechanism of the factory regularly. (In progress)
2. Factory is developing their total inquiry system with proper manner (Place, Time, Date, evidence and witnesses). FR is following up the grievance mechanism of the factory regularly. (In progress)
3. Factory is following the disciplinary procedure as per BEPZA Instruction and also considering the sensitive case separately in case there is any penalty. However, FR is following up the Grievance mechanism and overall disciplinary procedure time to time. (In progress)
4. Factory will maintain proper documents of verbal warning. (In progress)

### FINDING NO.12

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Grievance System

##### Finding Explanation

1. There is no written policy on grievances. [ER.25]
2. The grievance procedures define grievances due to termination, dismissal, layoff, harassment, and wages but do not include work related grievances. [ER.25]
3. The suggestion boxes are not opened in the presence of worker representatives. [ER.25]
4. There is no policy on non- retaliation for workers who raise concerns. [ER.25]
5. The timelines for addressing grievances at each level (Supervisor, Manager) is not defined in the procedures. [ER.25]
6. Responsibility is not assigned to a specific management staff for addressing grievances. Currently, the HR staff collectively handles grievances. [ER.1, ER.25]
7. Between January 2017 and June 2018, the factory has conducted training for 203 out of 2264 supervisors and managers and for 141 out of 6126 workers on grievance procedures. [ER.15, ER.17, ER.25]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, and ER 25)

### COMPANY ACTION PLANS

## Action Plan no 1.

### Description

1. Factory is developing their total grievance handling system including information of committee, updating procedure and training manual and providing training to grievance handling committee and existing employees regarding grievance procedure. (In progress)
2. Factory has grievance policy & procedures including the procedures on work related grievances.
3. Factory will open the suggestion boxes in presence of worker representatives. Now they have formed a committee to open suggestion box including a member of Workers representative. (In progress)
4. Factory has developed a non-retaliation policy. (In progress)
5. Factory will include the timelines for addressing grievances in the procedures. (In progress)
6. Factory has designated person under HR & Admin department for handling grievance.
7. Factory will increase training frequency on grievances procedures according to training action plan. (In progress)

## FINDING NO.13

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Grievance System

### Finding Explanation

1. The grievance log includes action taken but there is no information on whether the nature of the action taken is sustainable. A review of logs revealed repeat complaints pertaining to broken exhaust fans and water in toilets. [ER.1, ER.25]
2. Over the past two years, grievances logged through the complaint boxes (confidential channel) and direct reporting to welfare officers showed that there have been concerns related to verbal and physical abuse by Supervisors. From 2016, there was a sexual harassment grievance in which managers took pictures of workers and then threatened to post those pictures on social media if the worker did not perform sexual favors. Multiple workers raised these grievances against multiple managers. In most cases, the management action plan against the manager was listed as "verbally warned". Management stated that they could not initiate any further action in absence of the names of the workers who complained. The welfare officer has received grievances from specific workers related to bad behavior (shouting and using abusive language) by executives. The welfare officer has documented these grievances, but the report states that the action taken was that the executives were warned; no written disciplinary action was taken. The grievance log states that there has been at least one grievance pertaining to abuse per month over the past two years. [ER.15, ER.17, ER.25, H/A.9]

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17 and ER.25; Harassment or Abuse Benchmark H/A.9)

### Recommendations for Immediate Action

1. Document all necessary information on action taken for addressing grievances.
2. Provide supervisors and managers training on harassment and abuse ensure that grievances are tracked and addressed in an appropriate manner.

## COMPANY ACTION PLANS

### Action Plan no 1.

### Description

1. Factory will rectify the complaint and take sustainable preventive action against to reduce same grievance. (In progress)
2. Management has taken initiatives to strongly handle the reported grievance with written disciplinary action maintain documentation properly. (In progress)

## FINDING NO.14

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Environmental Protection

#### Finding Explanation

1. Since January 2017, the factory has conducted training for 38 out of 2264 supervisors and mid-level managers and for 811 out of 6126 workers on environmental protection specific to preservation of water and energy. [HSE.1, ER.15, ER.17, ER.31]

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.15, ER.17, ER.31; Health, Safety, and Environment Benchmark HSE.1)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory will increase training frequency on Environmental Protection according to training action plan. (In progress)

## FINDING NO.15

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Environmental Protection

#### Finding Explanation

1. Environmental Trainings took place between 4:30PM and 6:30PM (post regular working hours) or close to lunch breaks. The workers were compensated correctly for these trainings. ER.31

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.31)

#### Recommendations for Immediate Action

1. Conduct trainings during regular working hours.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory is conducting few training during working hour. However, they are planing to conduct all training within the working hours. (In progress)

## FINDING NO.16

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The written procedures do not include information on standard operating procedures for each job with a focus on performing their jobs safely, measures to protect the reproductive health of workers, steps to raise health and safety concerns, and protection against retaliation for workers who raise health and safety concerns. [ER.1, ER.31]

2. Since January 2017, training was conducted for only 970 out of 6126 workers on the use of PPE. Safety training is provided for

electricians but not for mechanics. General health and safety training has only be conducted for 1106 out of 6126 workers. [HSE.8]

3. The factory has not conducted a third party risk assessment. An internal safety assessment has been conducted. [HSE.1]

4. Chemicals are not identified in the storage area as hazardous or non-hazardous. [HSE.9]

5. Neither the Childcare Room nor the security gate have a picture of a mother and child posted. This requirement is to ensure there are no instances of errors in the pick-up and drop-off process. The room is located in another factory owned by the group and located next to this factory. The room is on the ground floor near the washing section but access is restricted. [HSE.27]

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER 31; Health, Safety, and Environment Benchmarks HSE.1, HSE.8, HSE.9, and HSE.27)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory will provide SOP for each machine with proper guide line. (In progress)
2. Factory will provide safety training to mechanics accordingly. They will increase training frequency according to training action plan. (In progress)
3. The factory will conduct a third party risk assessment. (In progress)
4. Factory has designated chemical store with hazard & Non hazard identification. (In progress)
5. Factory will post the picture of mother and child in child care and security gate. Besides, they have increased monitoring regarding pick-up and drop-off process. (In progress)

## FINDING NO.17

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The factory does not implement a Lock out-Tag out arrangement while carrying out maintenance work. [HSE.14, HSE.15]
2. The arms of at least four ladders in the work area were held together by a piece of fabric instead of a stable locking device to prevent them from slipping when in use. Moreover, anti-skid stoppers were missing on at least four ladders. The ladder used in Building 1C did not have hand rails or antiskid stopper. [HSE.14]
3. Maintenance workers were standing on plastic containers and safety fences instead of using ladders. They were not using any fall protection when climbing heights. In Annexure Building 2, one maintenance worker was standing on a fence and another worker was using a two stand ladder placed leaning against a wall. Neither worker was using a helmet when working at heights. [HSE.14]
4. The hydro extractors do not have an emergency stop arrangement installed. The emergency stop arrangement on the auto layering machine in the cutting section was not functional when tested. [HSE.14]
5. Traffic lanes are not marked. Moreover, visual aids, such as reflectors, convex mirrors, and speed breakers, are not installed in the factory to assist in safe driving practices. [HSE.1, HSE.14]
6. Stagnant water was noted in washing section. This water is a slipping hazard. One outlet drain was blocked and a worker's lunch box was seen in the drain. [HSE.1, HSE.14, HSE.19]
7. Workers keep lunch boxes in the washing section behind the washing machines. In the PP Stapravay Section in Annexure Building 1, some workers use chemical containers to store their personnel belongings and have made temporary locking arrangements. [HSE.9]
8. Cups are not provided near the drinking water stations. Workers fill their own bottles to drink water. [HSE.19, HSE.23]

9. Workers from 3D Section work near machines and close to heated metal blocks. There is no protective shield to prevent burn injuries. None of the 33 3D machines in use have emergency stop arrangements. [HSE.7]
10. The main switch board is not marked to indicate which section the switch controls.
11. Standard operating procedures are not posted near machines.
12. Metal buttons were on the floor near the snap button machines located in the sewing sections. [HSE.14]
13. The medical room closes at 8:00PM and is not available to workers on the night shift from 8:00PM to 4:30AM. In case of an emergency, workers are referred to the BEPZA medical center which is open 24/7, but located 2 kilometers away. The medical room opens at 8:00AM so this shift is the only one that works when the medical room is not open. [HSE.18]
14. Needle guards are pushed upwards on all sewing machines, rendering them ineffective in preventing injuries. [HSE.7, HSE.8]
15. There are no soap or hand drying facilities in any of the bathrooms. [HSE.19]
16. Metal strips are fixed on joints in building floors. Edges of these strips are raised and may injure workers during the evacuation process and the normal movement of workers. [HSE.14]
17. One of three elevators was inspected on June 28, 2018 but the certificate is dated June 27, 2018. The certificate for Elevator Number 2 has a blank report and the report is signed by a service engineer from the maintenance agency and an assistant mechanical engineer from the factory. [HSE.4]

#### Local Law or Code Requirement

Bangladesh Labour Act 2006 (Amended in 2015), Chapter V Sections 51(c), 58, 59 and Chapter VI Sections 69 (1 c); FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.1, HSE 4, HSE 7, HSE 9, HSE.14, HSE.15, HSE.18, HSE.19, and HSE.23)

#### Recommendations for Immediate Action

1. Implement a Lock out-Tag out arrangement while carrying out maintenance work.
2. Ensure appropriate locking devices are installed to lock ladder arms when in use. Install anti-skid stoppers on portable ladders and hand rails on the fixed ladder Building 1C.
3. Ensure maintenance workers use ladders and helmets when working at heights.
4. Install an emergency stop arrangement on the hydro extractors. Repair and ensure the emergency stop arrangement in the auto layering machine in the cutting section is functional at all times.
5. Mark traffic lanes and install visual aids, such as reflectors, convex mirrors, and speed breakers inside the factory to assist in safe driving practices.
6. Ensure that drains are clear at all times and there is no standing water on the floors in the washing section.
7. Provide lockers in areas away from the washing and the PP Spray sections for workers to store their belongings.
8. Provide drinking glasses near the drinking water stations.
9. Install a protective shield near the machines in the 3D section to prevent accidental burn injuries and provide an emergency stop arrangement for the 3D machines.
10. Mark the main switch board to indicate which section that the switch controls.
11. Post standard operating procedures near machines in the local languages.
12. Provide mats near the snap button machines on the sewing floor to prevent metal buttons from accumulating and spreading on the floor.
13. Make the appropriate arrangements so that workers on the night shift have access to the medical room.
14. Install the appropriate type of needle guards on the sewing machines to prevent injuries.
15. Provide soap and hand drying facility in the restrooms.
16. Fix the edges of metal strips installed on joints in building floors to prevent injuries.

17. Ensure that inspection reports are complete and provide required information.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has already purchased log out-tag out equipment and maintain while caring out maintenance process. (Completed)
2. Factory will purchase appropriate ladders for work and maintain while caring out maintenance process. FR has confirmed that the ladder has been purchased and implemented. (In progress)
3. Factory will purchase appropriate ladders And safety equipment for workers. Moreover they will train them for using those safety equipment and monitor regularly. FR has confirmed that the ladder has been purchased and implemented. (In progress)
4. Factory has provided emergency stop arrangement in hydro extractors Machine and auto layering machine. (Completed)
5. Factory has marked the traffic lane and they will provide convex mirror in those area for a safety precaution. (In progress)
6. Factory is installing the modern machines in washing section that's why water won't stag and outlet drain will be completely blockage free. Moreover they have instructed the workers strictly for not to keep their lunch box there. (In progress)
7. Factory is already in procurement process for lunch locker box. (In progress)
8. Factory is disagreeing on this finding because most of our valuable buyer not allow glasses because of contamination.
9. Factory has provided safety cover in front of W3D machine. (Completed)
10. Factory will mark in main switch board as early as possible. (In progress)
11. Factory will provide SOP for each machine with proper guide line. FR has confirmed that the SOP has been provided. (In progress)
12. Factory has provided appropriate rubber mat in the snap button area. (Completed)
13. Factory will recruit medical stuff for night shift. (In progress)
14. Factory has checked all the machines and keep in correct position to avoid any injuries. Moreover, they are monitoring the issue regularly. (Completed)
15. Factory has provided and ensured soap in each wash room and they will provide hand drying in their wash room gradually. (In progress)
16. Factory is installing metal sheet on the joint of building floor to avoid any accident. (In progress)
17. Factory will do the elevator assessment properly. (In progress)

## FINDING NO.18

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

1. Bins and trolleys were partially blocking a few aisles and evacuation routes in the sewing, finishing and washing sections. Fabric rolls are partially blocking the evacuation routes in fabric storage. Garment bins are blocking workers' access to passages from the sewing and dry wash sections. Garment bins placed behind workers in the PP Spray Section restrict quick and easy evacuation. Waste food bins are placed in evacuation routes in the dining areas. [HSE.5]

2. The aisles and directions for evacuation marked on floors have faded in work areas in the sewing, the dry process, and the finishing



sections. These routes are not marked in the washing section.

3. The emergency lights installed on staircase landings are not industrial lights. These domestic-use lights may not be effective in case of fire. [HSE.5]

4. Workers in the sewing sections sit back to back with no or limited space for quick and easy access to evacuation routes. Approximately 10% of work stations in the manual scrapping section, the finishing, and the washing sections are congested, restricting quick access to passages. [HSE.5]

5. The fire equipment inspection reports reflect missing fire axes in 4 out of 17 locations and the hydrant pressure inspection report has not been signed for the past five months. [HSE.6]

#### Local Law or Code Requirement

Bangladesh Labour Act 2006 (Amended in 2015), Chapter V Sections 56 and Chapter VI Sections 62, 72 ; FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.5 and HSE.6)

#### Recommendations for Immediate Action

1. Ensure aisles, evacuation routes, and passages are clear at all times.
2. Repaint the aisles and directions for evacuation wherever faded or missing in the sewing, dry process, finishing and washing sections.
3. Replace emergency lights installed on staircase landings with industrial type so they are effective in case of fire.
4. Provide adequate space in work areas for quick and easy access from work stations to passages.
5. Provide fire axes wherever missing and monitor reports to address findings and ensure inspection reports are reviewed and signed by the responsible person(s).

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Now all of aisles are blockage free. Factory is strongly monitoring the whole facility that all aisles or evacuation root remain smooth and free. (Completed)
2. Factory has remarked all the faded aisles in the facility. (Completed)
3. Factory is installing the industrial light in the staircase landing. FR has confirmed that the industrial lights has been installed. (Completed)
4. Now factory has provided proper space for sitting worker and reduced congestion. They are strongly monitoring to ensure easy access to evacuate. (Completed)
5. Factory has already in procurement process of fire axe and now they are maintaining hydrant pressure inspection report properly. (Completed)

## FINDING NO.19

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. Safety shoes are not provided to maintenance workers. The welding gloves used were worn out and damaged. New gloves were available but were not being used. The helmets provided had dust accumulated. [HSE.7, HSE.8]
2. Workers in the washing section are not provided with water resistant aprons. Their clothes were wet. These workers also had exposed skin near chemicals. Most of the workers in the PP Spray Section are not using eye shields. Only 10% of the PP Spray workers were using ear plugs. [HSE.7]

3. Construction workers do not use any Personnel Protective Equipment. These construction workers are subcontractors. [HSE.7, HSE.8]
4. Workers near the thread sucking machine are not provided with ear plugs. Noise levels near these machines is high. [HSE.7]
5. Approximately 30% of the workers from the sewing, the blow out, the cleaning, and the manual scrapping sections were using damaged hand gloves, exposing the risk of chemical contamination. There is an additional contamination risk as workers use their hands to eat food. Workers from the grinding section use grinders rotating at high speeds that could injure exposed fingers. [HSE.7, HSE.8]
6. The over-lock machine operators were not using eye shields. The housekeeping workers (factory employees) in the washing section are not provided with PPE (gloves, shoes, apron and mask). [HSE.7, HSE.8]

#### Local Law or Code Requirement

Bangladesh Labour Act 2006 (Amended in 2015) Chapter VI Section 78; FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.7 and HSE.8)

#### Recommendations for Immediate Action

1. Provide safety shoes to maintenance workers. Replaced used welding gloves that are worn. Properly maintain helmets and ensure that they are used.
2. Provide workers in the washing section with water resistant aprons. Train and monitor the use of eye shields and ear plugs provided to workers.
3. Provide and ensure that construction workers use personnel protective equipment.
4. Provide and monitor the use of ear plugs for workers near the thread sucking machine.
5. Replace damaged hand gloves, educate workers on the use of gloves and monitor usage.
6. Monitor the use of eye shields by over-lock machine operators and provide PPE (gloves, shoes, aprons, and masks) to housekeeping workers.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has given purchase of safety shoes for maintenance workers and they are strongly monitoring that the workers use the right PPE and conducting awareness regarding this. (In progress)
2. Factory is in procurement process for water resistant apron. They are strongly monitoring that the workers use the PPE and conducting awareness training as per training calendar. (In progress)
3. Factory is providing PPE to the construction workers and they are regularly monitoring to use PPE . (In progress)
4. Factory is strongly monitoring and conducting awareness training in the noisy area to use ear plug properly. (Completed)
5. Factory has provided new hand gloves to those workers and they have developed PPE management system to upgrade the existing situation. (In progress)
6. Factory has provided PPE to the washing, House Keeping workers. Besides they are conducting awareness training to the concern workers for using PPE & eye shield for safety. (In progress)

## FINDING NO.20

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. Workers sit on hard stools to work. [HSE.17]
2. The factory does not provide anti-fatigue mats to workers with standing jobs. Some workers were seen working in bare feet and others

were using boards as footrests. [HSE.17]

#### Local Law or Code Requirement

FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.17)

#### Recommendations for Immediate Action

1. Make appropriate arrangements for workers with sitting jobs.
2. Provide anti-fatigue mats to workers with standing jobs.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. Factory is already in procurement process for back rest chair. (In progress)
2. Factory has already provided anti fatigue mats to the few workers with standing job and they will provide mats all the standing works gradually. (In progress)