



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Zephyr Graf-X
COUNTRY: Bangladesh
ASSESSMENT DATE: 06/22/16
ASSESSOR: Insync Global
PRODUCTS: Apparel
NUMBER OF WORKERS: 215

Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation 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 for each finding.

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.

FLA Code Element	Violations
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Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory started providing orientation training in May 2016. At the time of the assessment, June 2016, only four of the forty-two newly hired workers had been provided the training.
2. The orientation training does not include Freedom of Association or Industrial Relations.
3. Documentation of the content of the orientation program are not provided to employees.
4. Although the factory does communicate some information on all of the Employment Functions, there is no ongoing training for any employees on Recruitment, Hiring & Personnel Development, Hours of Work, Termination & Retrenchment, Grievance System, and Workplace Conduct & Discipline.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

1. The factory will provide training for all new hires.
2. Orientation training will include training on Freedom of Association and Industrial Relations.
3. The factory will provide employees with documentation of the content from orientation.
4. As part of its communication to workers on Employment Functions, the factory will include ongoing training on Recruitment,

Hiring & Personnel Development, Hours of Work, Termination & Retrenchment, Grievance System, and Workplace Conduct & Discipline"

1. Sustainable improvement is going on for new employes. 2. Freedom of Association of Industrial relations are included with the orientation training program. 3. Documentation of the content of the orientation program are provided to employees. 4. Ongoing training for employees on different improvement sectors (compliance issues) are already started.

The factory will include the requirement of providing orientation and ongoing trainings in its factory procedures.

Planned Completion Date

07/30/17

Action plan status: **Complete**

Planned completion date: 10/08/16

FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The wage on file for some workers is not updated to reflect their current wages; the workers' files do not match up with the wages recorded in the payroll records.

2. The workers' service cards are not updated.

3. Employee and beneficiary information for insurance purposes are not on file (e.g. missing pictures and signatures of nominees). This could result in the loss of benefits.

4. The service rules (employment condition policies and procedures) are drafted within the guidelines of legal requirements but are not certified, as required by law.

Local Law or Code Requirement

Bangladesh Labour Law 2006, Section 7, Section 3(2); FLA Workplace Code (Employment Relationship Benchmark ER.2.1)

Recommendations for Immediate Action

1. Ensure that employee information is complete in terms of current wages.

2. Ensure that insurance forms and nomination forms are complete, including pictures and signatures.

3. Ensure that service rules and policies are certified by the factory inspector, as required by law.

COMPANY ACTION PLANS

1. The factory will ensure that wages on file match the current wages being paid to all the factory's employees, which will be reflected on payroll records.

2. The factory has updated the workers' service cards.

3. The factory will ensure that all beneficiary information is on file for insurance purposes. 4. The factory will ensure that the service rules are drafted within legal requirements and are certified, as required by law.

The factory will ensure that management staff (including HR) are trained on proper wage documentation, issuing of service cards, documenting beneficiary information, and ensuring service rules are drafted within legal requirements and are certified. Planned

Completion Date

07/30/17

Action plan status: **Complete**

Planned completion date: 10/08/16

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. There are no policies or procedures for Personnel Development.

2. There are no written procedures for performance reviews. The written documents on promotions state the following procedures: workers can approach supervisors for promotions, the supervisors would then review their work and recommend them to the production manager, they would then forward their recommendations to the Managing Director. The criteria for evaluating performances are not defined and the evaluation is done verbally. There are no written evaluations recorded, therefore it could not be verified if promotions

were conducted fairly and with transparency. Workers had no complaints about this procedure.

3. There are no written procedures on the following: raising or broadening workers' skills in order to advance their careers, steps and requirements in the promotion, demotion, and reassignment scheme, or written outcomes of promotion, demotion, and reassignment to be provided to workers.

4. There is no training provided to the workforce or supervisors on Recruitment, Hiring & Personnel Development.

5. The policy on Hiring and Recruitment was drafted in 2014 and has not been reviewed; no review period has been defined.

Management is not aware of FLA Benchmarks.

6. There are no written job descriptions available for any position.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.17, ER.28, ER.29, and ER.30)

COMPANY ACTION PLANS

1. The factory will implement policies and procedures for Personnel Development and include it in the training and documentation provided to factory workers. 2. The factory will implement a system of documented performance reviews for workers seeking promotions. The current system of a worker being allowed to approach supervisors for promotions, followed by an evaluation of the worker's performance, a recommendation to a production manager, and a forwarding of those recommendations to the Managing Director will still be used, but these procedures will be written for workers to reference, and each situation where this process is used will be recorded.

3. The factory will construct written procedures that explain opportunities for raising/broadening workers' skills for career advancement, steps and requirements for promotion, demotion, and reassignment, and outcomes of promotion, demotion, and reassignment. These written procedures will be made available to the workers.

4. The factory will provide training to the workforce and supervisors on Recruitment, Hiring, & Personnel Development. 5. The policy on Hiring and Recruitment will be reviewed annually. Management will be educated on FLA Benchmarks and will incorporate them into the review process. 6. The factory will provide written job descriptions for each position in the factory.

Factory is still finalizing updated performance evaluation system that builds on existing system of worker/supervisor communication and subsequent evaluation and recommendation to the Managing Director.

Planned Completion Date

07/30/17

Action plan status: Complete

Planned completion date: 10/08/16

FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. A review of three maternity benefit payment records revealed that in one case, the maternity benefit of BDT 35,856 (USD 458) was split into two installments. The 1st installment of BDT 17,928 (USD 229) was received by the worker's husband, as confirmed by the worker. The husband signed the pay record to acknowledge the receipt. For the 2nd installment of BDT 17,928 (USD 229), the husband also signed to acknowledge the receipt, however, the interviewed female worker stated that she had not received the 2nd installment. Management agreed that the 2nd installment was not paid even though the husband had signed to acknowledge the receipt; the amount was paid prior to the end of the assessment. This worker was on maternity leave from February 16 to June 6, 2016. For another worker, the 1st installment of the maternity benefit was paid to the husband of the worker without proper written authorization from the worker permitting her husband to receive the benefit.

2. A female worker who returned to work on June 6th 2016 after her maternity leave did not receive the 2nd installment of her maternity benefit, which was to be paid on June 22nd 2016. Per law, the maternity benefit should have been paid within three working days of the worker returning to work or within three days of the worker providing proof of the child's delivery. This payment was made immediately after it was brought to the attention of management.

3. 100% of worker's unused earned leave is paid out every year. Per law, unused leave should be carried over to the next year. Workers can request that they be paid for unused earned leave; however, this can be done only once a year and should not be more than 50% of earned leave days.

Local Law or Code Requirement

Bangladesh Labour Act 2006, Section 47; Bangladesh Factory Rules 2015, Section 107(2); FLA Workplace Code (Employment Relationship Benchmark ER.18; Compensation Benchmarks C.1 and C.14)

Recommendations for Immediate Action

1. Ensure that the acknowledgement of payments made is obtained after the payment. Should a third party receive any payment, proper written authorization should be obtained from the employee prior to making the payment. The written authorization should be filed

- with the payment receipt.
- 2. Ensure that maternity benefits are paid within legally defined timelines.
- 3. Ensure compliance with all legal requirements regarding leave.

COMPANY ACTION PLANS

1. 1. Before delivering maternity benefit to anyone other than the worker who it is for, the factory will ensure that it obtains written authorization that allows maternity benefit to be received by anyone other than the worker. 2. The factory will ensure that the 2nd installment of a maternity benefit is paid within three working days of a worker returning to work or within three working days of a worker providing proof of child's delivery.

3. The factory will carry over unused leave into the next year. If workers request that they be paid for unused earned leave the factory will only allow this once a year and will only allow up to 50% of the earned leave days to be paid out.

As part of employee training, the factory will ensure that workers are aware of legal requirements, annual leave, and maternity benefit procedures. The factory will include in its maternity benefits procedures the requirement of obtaining written receipt from the working receiving benefit that payment was indeed received. In cases where another worker is receiving payment on behalf of the worker on maternity leave (and this only happening after written consent is received), the factory will the legal timelines for payment being received and will ensure the worker(s) involved are made aware of these timelines.

Planned Completion Date

07/30/17

Action plan status: Complete

Planned completion date: 10/08/16

Progress update:

- Workers who will be going on maternity leave, sign an authorization allowing for a designated person to receive the maternity benefit other than the worker.
- The factory's policy and procedures state that the factory will ensure that the 2nd installment of maternity benefit is paid within 3 working days.
- The factory will carry over unused leave into the next year, however if a worker requests to be paid for the unused earned leave, the factory will allow this once a year and will pay cash at 100%.

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. There are no written procedures on Compensation, however, the factory has some systems in place. The factory maintains the legally required payroll and tie records.

2. No specific training is conducted for supervisors and workers on Compensation. The policy was drafted in 2014 and has not been reviewed. There is no defined period for review of policies. Management is not aware of FLA Benchmarks and the procedures for payment of maternity benefits are not updated as required by law.

3. There is no formally defined procedure regarding the communication of Compensation policies and procedures to the general workforce. Information is provided based on the needs of the workers.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, and ER.17; Compensation Benchmark C.17)

COMPANY ACTION PLANS

1. 1. The factory will provide written procedures on Compensation, including timelines and how compensation is paid. The factory will also maintain its current practice of following legal requirements for payroll and tie records.

2. The Compensation policy will be reviewed annually, and supervisors and workers will be provided with training on Compensation. Management will be provided and educated on FLA Benchmarks, and maternity benefits will be updated as required by law.

3. The factory will communicate Compensation procedures to the general workforce through written means and as well as part of the orientation training for new hires.

The factory will include in its procedures the requirement of communication of compensation practices and polices and procedures. Written means refers to the documents issued to new workers that contain factory policies and procedures. Notice boards is not in the action description.

07/30/17

Action plan status: Complete

Planned completion date: 10/08/16

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

The factory has not obtained permission or approval from the Government Factory Inspector to implement night shifts.

Local Law or Code Requirement

Bangladesh Labour Act 2006, Section 111(9); FLA Workplace Code (Hours of Work Benchmark HOW.1)

Recommendations for Immediate Action

Ensure approval from a factory inspector prior to implementing night shifts.

COMPANY ACTION PLANS

1. The factory will obtain permission/approval from the Government Factory Inspector to implement night shifts. This process is ongoing as the factory has already applied to an inspector.
2. The factory is waiting to receive confirmation that the Government Factory Inspector approved night shifts
07/20/17

Action plan status: **Complete**

Planned completion date: 10/08/16

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. There are no written procedures on Hours of Work. The policy does not define what an extraordinary business circumstance is and does not define when the workers need to work due to extraordinary business circumstances. The policy also does not define the 2nd working shift between 22:00 and 7:00 the following day.
2. There is no training for supervisors or workers on Hours of Work, however employees are aware of working hours and breaks as these breaks are taken daily. The policy was drafted in 2014 but has not been reviewed since. The requirement for periodic review is not defined, therefore no review period is defined. Management is not aware of FLA Benchmarks.
3. There are no separate working hours defined for pregnant or lactating women.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.17, and ER.23; Hours of Work Benchmark HOW.5)

COMPANY ACTION PLANS

1. The factory will provide written procedures on Hours of Work. The policy on this will define an extraordinary business circumstance and the consequences of this (when the workers need to work, etc). These written procedures will also define the 2nd working shift between 22:00 and 7:00 the following day.
2. The factory will annually review its policy on Hours of Work and provide training for this for supervisors and workers in conjunction with each annual review. Management will implement FLA Benchmarks into the policy on Hours of Work.
3. The factory will define separate working hours for pregnant or lactating women according to FLA Benchmarks.
11/30/16

Action plan status: **Complete**

Planned completion date: 10/08/16

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. The date of payment for termination dues is not recorded on the pay sheets, therefore it cannot be verified that wages due are paid within seven days of termination or that other dues are paid within 30 days, as required by law.
2. As per factory practice, payments are made on the 10th day of the month following termination, regardless of the date of resignation/termination of employment.

Local Law or Code Requirement

Bangladesh Labour Act 2006, Section 123(2) and Section 30; FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.19 and ER.32; Compensation Benchmark C.4)

Recommendations for Immediate Action

1. Ensure that wages are paid within 7 days of the termination of employment and that all dues are paid within 30 days, irrespective of the pay period.
2. Ensure that the date of payment is recorded on pay records.

COMPANY ACTION PLANS

1. The factory will provide the date of payment for termination dues on pay sheets in order to verify that wages due are paid within seven days of termination and that other dues are paid within 30 days.
2. Instead of paying dues on the 10th day of the month following termination, the factory will pay dues within seven days of a worker's resignation/termination.

The factory will include its requirements on termination payments in its procedures. These procedures will be provided to workers through trainings.

07/30/17

Action plan status: Complete

Planned completion date: 10/08/16

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. There is no policy on Retrenchment.
2. The policy on Termination states three reasons for Termination: layoff, resignation, and retirement. Other reasons, such as physical disability or as a result of disciplinary action, are not defined.
3. There are no written procedures for Termination & Retrenchment. Some systems are in place to manage termination procedures, however there are no defined procedures for calculating final payouts or time lines for payouts.
4. There is no training provided to supervisors or the workforce on Termination & Retrenchment.
5. The policy on Termination was drafted in 2014 and has not been reviewed since. Management is not aware of FLA Benchmarks. The procedures being followed partially comply with legal requirements.
6. The factory does not communicate its Termination & Retrenchment policy and procedures to the general workforce.
7. The factory does not arrange consultation meetings with workers or worker/union representatives before management reaches final decisions on layoffs.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.17, ER.19, and ER.32)

COMPANY ACTION PLANS

1. The factory will construct a policy on Retrenchment that follow legal requirements and FLA Benchmarks.
2. In its policy on Termination, the factory will define other reasons such as physical disability or consequences of disciplinary action.
3. The factory will construct written procedures for Termination & Retrenchment that follow legal requirements and FLA Benchmarks. These procedures will define the calculation for final payouts and timelines for payouts.
4. The workforce will be provided training on Termination & Retrenchment as part of orientation when newly hired and during annual trainings thereafter. Supervisors will likewise be provided training annually.
5. The factory will ensure Termination policies fully comply with legal requirements and FLA Benchmarks. The policy will be

reviewed annually.

6. The policy and procedures on Termination & Retrenchment will be communicated to the workforce through written means and during annual training.

7. As part of procedures for layoffs, the factory will arrange consultation meetings with workers or worker/union representatives before management reaches final decisions.

12/20/16

Action plan status: **Complete**

Planned completion date: 10/08/16

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. There are no written policies on Industrial Relations.

2. There are no written procedures on Freedom of Association and Industrial Relations, however some systems are in place to manage Freedom of Association.

3. There are no unions in the factory and no independent worker representation. As required by law, a joint worker-management committee called the Participation Committee has been formed where worker representatives are elected by the workers and management representatives are nominated by management, therefore the Participation committee is monitored by management. However, this committee is not integrated into the policy/procedure creation process.

4. Management does not provide any office space or other facilities for the Participation Committee.

5. There is no training provided to supervisors and workers on Freedom of Association and Industrial Relations. The policy on Freedom of Association was drafted in 2014 and has not been reviewed since then. No review period is defined.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, and ER.25; Freedom of Association Benchmarks FOA.10 and FOA.15)

COMPANY ACTION PLANS

1. 1. The factory will provide written policies on Industrial Relations that follow legal requirements and FLA Benchmarks.

2. The factory will provide written procedures on Freedom of Association and Industrial Relations, ensuring that they follow legal requirements and FLA Benchmarks.

3. The factory will allow for the workers to form independent worker representation groups, and the Participation Committee will be integrated into the policy/procedure creation process.

4. Management will allow for the Participation Committee to meet in office space or other practical indoor space away from factory processes.

5. Annual training will be provided to supervisors and workers on Freedom of Association and Industrial Relations. The Freedom of Association policy will be reviewed yearly.

The worker representation group(s) will not be interfered with by factory management but will have opportunity to work with management through the Participation Committee. Representatives and workers will be trained on independent worker representation systems through new employee and ongoing trainings.

12/10/2016

Action plan status: **Complete**

Planned completion date: 10/08/16

FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The policy on Workplace conduct does not define various types of misconduct or the actions that would be taken against each type of misconduct.

2. There are no written procedures for all Workplace discipline, however there are some systems in place for managing Workplace conduct. The procedures state the worker's right to appeal against disciplinary action, however, there are no definitive procedures on

- how to do so. The factory does not periodically review the workplace conduct/discipline policy and procedures.
3. The procedures do not define the need to record verbal warnings. There is no training for human resources staff, supervisors or workers. Management is not aware of FLA benchmarks and hence some benchmarks are not included in the procedures, for example, the need to document verbal warnings, trainings, and the need for periodic review of policies.
 4. The factory communicates the workplace rules and regulations only when the need arises.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.16, ER.17, ER.25, and ER.27)

COMPANY ACTION PLANS

1. The factory will revise the policy on Workplace Conduct to include definitions of various types of misconduct and the actions that would be taken against each type of misconduct.
 2. The factory will provide written procedures for all Workplace Discipline that will be reviewed annually.
 3. Annual training will be provided to human resources staff, supervisors, and workers on Workplace Discipline. Management will be provided FLA Benchmarks and will incorporate these into the Workplace Discipline procedures, which will include a requirement to document verbal warnings and review policies annually.
 4. The factory will communicate workplace rules and regulations through written means (i.e. posters throughout the factory)
- 12/20/2016

Action plan status: **Complete**

Planned completion date: 10/08/16

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The Grievance System procedures do not require documentation of reported grievances, therefore there are no records of grievances. Based on information gathered from worker interviews, grievances that were reported have been addressed and workers had no complaints.
2. There is no formal training for supervisors or workers on the Grievance System, however there is a board posting on communication channels between employees and management in the facility.
3. The notices posted near the grievance boxes state that the boxes are opened once a month. This time period could deter workers from using the grievance boxes as they have to wait for the boxes to be opened once a month. One of the grievance boxes is not placed to ensure confidentiality.
4. The procedures do not define the review period for the policy. The policy was drafted in 2014 and has not been reviewed.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship ER.1, ER.2, ER.17, ER.25.3.1, and ER 25.3.2)

COMPANY ACTION PLANS

1. The factory will revise the Grievance System to require that reported grievances are documented.
 2. Grievance System training will be provided to supervisors and workers on a yearly basis.
 3. The grievance boxes will be opened once per week, and all grievance boxes will be positioned in places that ensure confidentiality.
 4. The Grievance System policy will be reviewed by the factory on a yearly basis.
- 11/30/2016

Action plan status: **Complete**

Planned completion date: 10/08/16

FINDING NO.13

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. There are no written policies or procedures on Environmental Protection.
2. There is no training conducted for supervisors or the general workforce on environmental matters. There is some communication through posters on saving water.
3. There have been no assessments conducted to identify processes which could cause negative environmental impacts.
4. Waste material, including paper, plastics, empty adhesive containers, and fused electric bulbs, is disposed of through local scrap dealers. The government does not license local scrap dealers, therefore the factory does not send hazardous waste to a licensed waste handler.
5. The factory does not have an emergency response team that is available to attend to any environmental emergencies.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.17, and ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.4, and HSE.5)

COMPANY ACTION PLANS

1. The factory will provide written policies and procedures on Environmental Protection.
 2. Annual training will be provided to the supervisors and workforce on environmental matters.
 3. The factory will obtain a third party assessment that will analyze factory processes and identify those that could cause negative environmental impacts.
 4. The factory will dispose of hazardous waste through a licensed waste handler.
 5. The factory will develop an emergency response team that will be available to attend to environmental emergencies.
- Factory procedures will include processes to address management of its environmental impact to its surroundings, handling chemicals, defining factory waste, documenting storage, and disposing of wastes. The factory is still finalizing these points.

12/10/2016

Action plan status: **Complete**

Planned completion date: 10/08/16

FINDING NO.14

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There are no written procedures on Health & Safety, except for some procedures on operating machinery safely and some procedures on fire safety pertaining to evacuations.
2. There are no written procedures on the protection of workers' reproductive health.
3. Procedures are not defined for the protection of workers who report concerns against retaliation.
4. There have been no risk assessments conducted, except for a fire risk assessment conducted by a third party.
5. Management is not aware of FLA Workplace Code and Benchmarks, therefore they have not introduced systems to manage Health & Safety standards in a sustainable manner.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.17, and ER.31; Health, Safety & Environment Benchmark HSE.12)

COMPANY ACTION PLANS

1. The factory will create written procedures on Health & Safety that comply with FLA Benchmarks.
2. The factory will create written procedures on the protection of workers' reproductive health that comply with FLA Benchmarks.
3. The factory will create written procedures for the protection of workers who report concerns against retaliation.
4. The factory will conduct risk assessments via third parties to address risks pertaining to noise, work area safety, chemical usage, ergonomics, electrical safety, and any other potential risk issues.
5. Management will be provided with FLA Workplace Code and Benchmarks and will use this as a guide to introduce systems to manage Health & Safety standards in a sustainable manner.

12/20/2016

Action plan status: **Complete**

Planned completion date: 10/08/16

FINDING NO.15

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There are no spill response kits in areas where diesel is stored and used.
2. Workers with sitting jobs have wooden chairs with backrests; however, sitting on wooden chairs for long hours may cause bodily injury.
3. The work stations are fixed and cannot be adjusted in height to fit individual workers.
4. The traffic lanes are not marked; indicators, convex mirrors, and reflectors are not installed to support safe driving.
5. Industrial emergency lights are not installed above exits. Currently, emergency lights (CFL bulbs) used for domestic purposes are installed in all work areas which may not be effective in thick smoke. The evacuation plan does not match with the floor lay out. Most of the aisles and evacuation route markings have faded. The evacuation markings near the restrooms point away from the exit. A few work stations in the checking section are located in evacuation routes.
6. A canteen facility is not provided, as required by law.
7. Sterilized gloves are not provided in first aid kits.
8. The embroidery machine operators are provided with and use earplugs, however workers in the checking section located inside the embroidery room are not provided with earplugs. Some of these work stations are close to the embroidery machines.
9. The power generator's exhaust pipe is not insulated to prevent burn injuries. There has been no sound-proofing arrangement made for the power generator.
10. Sharp tools are not tied to work stations to prevent injury in case of accidental falls.
11. Fire fighters are not provided with fire suits, torches, fire resistant hand gloves, boots, eye shields, or hand held lights.
12. The medical room is not stocked with all the equipment specified by law. There is only one bed in the medical room for male and female workers, used as a sick bed as well as an examination bed. There are no arrangements for privacy while examining patients. The medical room facility is not available during night shifts. A full time doctor has not been appointed in charge of the medical room. Currently, a female employee certified as a "medical faculty" is available during the morning shifts to attend to medical requirements. This staff member does not have any formal medical training or certification. This arrangement does not comply with legal requirements, however, the factory has an agreement with a local hospital for emergencies. Not all illnesses are tracked by the factory, only the illnesses reported to the medical room are tracked.
13. A Material Safety Data Sheet (MSDS) is not posted for Super 99 and High Speed Diesel. There is no eye wash station provided in diesel handling areas. There is no alarm notification system for chemical spills.
14. There is no Lock Out/Tag Out arrangement being implemented in the factory.
15. A lightning protector is not installed on the building.
16. The qualified electrician has been on leave since May 4, 2016; the person who is currently responsible is not qualified to handle an electrical emergency. The electrician's license expired on March 17, 2016 and has not been renewed.
17. Some awareness on first aid is provided by the factory's Safety Manager, however, he is not qualified to provide first aid; there is no training provided by qualified personnel.
18. There is a discrepancy between the recorded pictures and logs on the dates when evacuation drills were conducted, e.g. a filed picture showed an evacuation drill conducted on March 10, 2016 for night shift workers, however the log did not have a recording for that drill.
19. The factory does not implement measures to protect the reproductive health of employees by minimizing exposure to workplace hazards.

Local Law or Code Requirement

Factory Rules 1979, Section 42, Section 51, Section 52, and Section 56; Chapter IV, Section 30, Section 51; Bangladesh Labour Act 2006, Section 42, Section 89, Section 92; Chapter 3, Section 89; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.6, HSE.7, HSE.9, HSE.10, HSE.12, HSE.13, HSE.14, HSE.17, and HSE.18; Non-Discrimination Benchmark ND.8)

Recommendations for Immediate Action

1. Provide a spill response kit near the diesel handling area.
2. Ensure appropriate arrangements to avoid bodily injury at work place, including providing appropriate furniture.
3. Work stations need to be adjustable to prevent bodily injury.
4. Ensure traffic lanes are marked and convex mirrors and reflectors are installed to assist in safe driving.
5. Install high beam industrial emergency lights above all exits. Replace CFL bulbs with industrial type lighting that can penetrate smoke in case of fire. Evacuation plans need to be redone to match the floor layout for ease of evacuation. Repaint aisles and evacuation routes markings and maintain them so that they are visible at all times. Ensure that the evacuation arrows point towards the nearest exit. Aisles and evacuation routes should be clear at all times.
6. Provide a canteen facility, as required by law.
7. Provide sterilized gloves in the first aid kits and ensure training is provided on first aid, for example, the disposal of used gloves.
8. Provide ear plugs to workers in the checking section; train and monitor workers to ensure proper use.
9. Insulate the power generator's exhaust pipes to prevent burn injuries; sound proof the power generator.
10. Ensure sharp tools are tied to work stations to avoid injury.
11. Provide required equipment to fire fighters in case of emergencies.
12. Provide required facilities in the medical room. A full time doctor should be in charge and available on call; a qualified nurse should

be available during all working hours.

13. Post MSDS in local languages and provide an eye wash station in diesel handling areas.

14. Implement a Lock Out/Tag Out system.

15. Install a lightning protector for the building.

16. Ensure that the person responsible for electrical management is a qualified electrician with a valid license.

17. Ensure qualified trainers train employees on first aid procedures. Workers trained in first aid procedures need to be available during all working hours.

18. Ensure that evacuation drills are conducted and logged accurately.

COMPANY ACTION PLANS

1. The factory will provide spill response kits in areas where diesel is stored and used. **[Complete]**

2. The factory will ensure breaks are allowed regularly for the workers so they can have relief from long hours of sitting. **[Complete]**

3. For workers that need or request height adjustments, the factory will provide either chairs of different heights or ways to raise their work station (i.e. a raised platform on top of a work station). **[Complete]**

4. The factory will mark traffic lanes and will install indicators, convex mirrors, and reflectors to support safe driving. **[Complete]**

5. The factory will install industrial emergency lights above exits, update the evacuation plan to match the floor layout, put new markings on the aisles to indicate evacuation routes, ensure that all markings accurately show the correct evacuation routes, and ensure that all work stations are out of the way of evacuation routes. **[High industrial exit light will be installed August 2019]**

6. In the dining area the factory will make food available for purchase to the workers at a "no profit/no loss" cost and will display the rate/price list. The food can be nonperishable dry snacks. All this will be managed by an elected canteen management committee comprised of representatives from the workforce and management. This committee will also monitor cleanliness and standard of food being served. **[Complete]**

7. The factory will provide sterilized gloves in the first aid kits. **[Complete]**

8. Workers in the checking stations close to the embroidery machines will be provided with earplugs. **[Complete]**

9. Insulation will be added to the generator's exhaust pipe to prevent burn injuries, and sound proofing arrangements will be made for the power generator. **[Complete]**

10. Sharp tools will be tied to work stations to prevent injury in case of accidental falls. **[Complete]**

11. Protective gear, including fire suits, torches, fire resistant hand gloves, boots, eye shields, and hand held lights will be made available to fire fighters in the event of fire emergencies. **[Complete]**

12. The factory will make arrangements for privacy while examining patients and will provide more than one bed. The medical room will be stocked with all necessary equipment, as required by law, and arrangements will be made with a full-time doctor to attend to medical situations as needed. Any other "medical faculty" will have some kind of formal medical training or certifications, and there will be medical faculty made available during both morning and night shifts. The factory will maintain its agreement with a local hospital for emergencies as well. All illnesses ailing any factory workers will be tracked by the factory. **[Complete]**

13. The factory will post a MSDS for Super 99 and High Speed Diesel, provide an eye wash station at diesel handling areas, and establish an alarm notification system for chemical spills. **[Complete]**

14. The factory will implement a Lock Out/Tag Out arrangement as a safety device that will be used while conducting maintenance work on electrical or mechanical equipment to avoid injuries due to accidental switching on of power supply or starting the machine. **[Complete]**

15. The factory will install a lightning protector on the building. **[Complete]**

16. The factory will ensure that the electrician responsible to handle electrical emergencies is qualified and has a current license. **[Complete]**

17. First Aid training will be provided to the Safety Manager and any others that are in charge of administering first aid in the event of emergencies. **[Complete]**

18. The factory will conduct regular evacuation drills and will log each one and have pictures to match each drill. **[Complete]**

19. The factory will ensure that the reproductive health of employees is protected by minimizing their exposure to workplace hazards - this will include a risk assessment that identifies production processes that could impact reproductive health. **[Complete]**

07/30/17

Action plan status: In progress

Planned completion date:08/31/19