



COMPANIES: adidas

COUNTRY: Bangladesh

ASSESSMENT DATE: 10/25/16

ASSESSOR: Insync Global

PRODUCTS: Apparel

NUMBER OF WORKERS: 2603

FLA Comments

Company Exit Language: In 2016 the adidas Social and Environmental Affairs Department (SEA) created and delivered a remediation plan to address all the non-compliances identified by this SCI Assessment. However, in May 2019 the commercial relationship between adidas and this factory came to an end due to production related reasons. Prior to the phasing out process, SEA conducted regular monitoring and intensive engagement with the Factory. At the time of business termination, the factory continued to have open non-compliances such as excessive overtime, manual time recording of canteen workers, missing full and final settlement dates, lack of proper training on chemical handling and machine handling that are still under remediation. adidas represented 3.5% of the factory's capacity in 2018 and less than 1% at the time of business termination. There was no impact to this factory that resulted from the discontinuation of the business relationship.

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: Policies & Procedures (Macro)

Finding Explanation

1. The factory has written policy and procedures on Recruitment & Hiring but not for Personnel Development or performance reviews.
2. Written procedures for Hours of Work do not define "extraordinary working hours." The procedures also do not define steps to be followed to ensure that overtime is voluntary. In practice, however, there were no complaints and the factory does ensure that overtime work is voluntary.
3. The factory does not have written policy and procedures on Termination & Retrenchment however there are some systems to manage Termination. The factory has not had any layoffs to date.
4. There are no written policies or procedures on Industrial Relations.
5. There is no written policy on Workplace Conduct & Discipline however there are systems in place to manage Workplace Conduct.
6. The written procedures do not include a requirement to record verbal warnings or how workers can appeal disciplinary action, although it does include the requirement to record any disciplinary action taken for misconducts.
7. There is no written policy on the Grievance System, however procedures for reporting and addressing grievances are included in procedures for disciplinary actions.
8. The Grievance System procedures do not include a principle of non-retaliation against workers who make complaints.
9. Although there are no written procedures for reporting environmental concerns and emergencies, there is an informal system in place for workers to report such emergencies. There is no formal protection for workers who report emergencies although there have been no concerns reported.
10. Except for some written procedures on fire safety, the Health & Safety procedures do not include procedures for machine safety, electrical safety, chemical safety, first aid, confined spaces, or guidance for housekeeping and canteen management. The procedures on fire safety do not include a list of the workers (names and/or titles) responsible for managing fire equipment, the emergency assembly areas, or steps for safe evacuation. There are also no written procedures to protect the reproductive health of workers through minimizing exposure to workplace hazards or how workers can raise health and safety concerns and protection against retaliation those who do. Factory uses external service providers for cleaning of underground water storage tanks, and external building maintenance.
11. Except for basic instructions for evacuation, the factory does not define specific evacuation instructions (e.g., the evacuation of special categories of workers) or precautions to take in the event of an evacuation.
12. Although the written policies and procedures for each Employment Function have been signed by the person who prepared them and by the person who checked them, they are not signed by the approving authority (CEO/CFO) of the factory.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.12, ER.25, ER.27, ER.28, ER.29, ER.30, ER.31, and ER.32; Health, Safety & Environment Benchmarks HSE.1 and HSE.12)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. Policy and procedure on personnel development or personnel review will be developed that will include steps such as performance planning, monitoring employee performance, employee development, evaluate & review performance and recognition.
B. Further policy will be reviewed periodically i.e., once in every year with the factory management and if required and based on the needs, policy will be revised and updated.
C. Policy will be communicated to relevant parties and work force and the training program conducted will be documented.
2. A. Factory management will review and revise existing working hours written procedures to include the following components:
I. Definition of "extraordinary working hours."
ii Detailed steps that are already in practice to ensure overtime is done on a voluntary basis will be included in working hours procedures.
B. The policy and procedures will be reviewed periodically i.e., once every year with the factory management and if required and based on the needs, policy/procedures will be revised and updated.
C. Policy will be communicated to relevant parties and workforce and the training program conducted will be documented.
3. A. Factory will develop a detailed policy and procedures on Termination and Retrenchment that will follow local law i.e., BEPZA instructions.
B. Further policy will be reviewed periodically i.e., once in every year with the factory management and if required and based on the needs, policy will be revised and updated.
C. Policy will be communicated to relevant parties and workforce and the training program conducted will be documented.

Planned Completion Date

10/31/17

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03/19/17

Action Plan no 2.

Description

4. A. Factory will develop detailed policy and procedure on Industrial Relation that will follow local law i.e., BEPZA instructions. The policies and procedures will include: I. All forms of worker management communication committees, ii. Constitution of worker management committees. iii. Procedure in reference to functioning of worker management committees. iv. How grievances arising out of committee meetings will be resolved/handled. v. Procedure to handle industrial disputes/strikes etc., vi. Management commitment towards continuous dialogue with workers through worker management communication committees. B. Further policy will be reviewed periodically i.e., once in every year with the factory management and if required and based on the needs policy will be revised and updated. C. Policy will be communicated to relevant parties and work force and the training program conducted will be documented.
- 5-6. A. Factory will develop a detailed policy on work place conduct and discipline that will follow local law i.e., BEPZA instructions. The policy should clearly indicate: i. Reasons for which a worker may receive a disciplinary action. ii. How all disciplinary actions will be investigated and documented to verify offense and identify appropriate disc. action. iii. How disciplinary actions may escalate from verbal all the way to termination based on seriousness of offense and re-incidence in misconduct. iv. Disciplinary policies should also provide clear instructions on how workers may appeal any disciplinary action received and how management will review and respond to appeals.
B. Further policy will be reviewed periodically i.e., once in every year with the factory management and if required and based on the needs, policy will be revised and updated.
C. Policy will be communicated to relevant parties and work force and the training program conducted will be documented.

Planned Completion Date

10/31/17

Planned completion date

03/19/17

Action Plan no 3.

Description

- 7-8. A. Factory management to review current grievance system and remove from disciplinary procedures as they have different purpose. Grievance system should be considered a stand alone system of its own.
B. The said policy and procedure will include step by step approach in reference to responsibility for handling grievances, time line for handling grievances, communicating management action to workers etc. The Grievance System should clearly state management's commitment to not take retaliation against workers who make use of any of the grievance mechanisms in place.
C. Further policy will be reviewed periodically i.e., once in every year with the factory management and if required and based on the needs, policy will be revised and updated.

D. Policy will be communicated to relevant parties and work force and the training program conducted will be documented.

9. A. Factory will develop detailed procedures for reporting health & safety and environmental concerns and emergencies though factory has developed written procedures of emergency preparedness program.

B. Factory will also include system of formal protection for workers who report emergencies.

C. Further policy will be reviewed periodically i.e., once in every year with the factory management and if required and based on the needs, policy will be revised and updated.

D. Revised policy will be communicated to relevant parties and work force and the training program conducted will be documented.

Planned Completion Date

10/31/17

Planned completion date

03/19/17

Action Plan no 4.

Description

10. A. Factory will review or develop detailed procedures on following HSE functions:

i. Fire safety: Factory will revise existing fire safety procedures and will include names and titles of fire safety team who are responsible to manage safe evacuation and operate different fire extinguishing equipment as well as manage assembly points.

ii Machine Safety

iii. Electrical safety

iv. Chemical safety

v. First aid

vi. Confined spaces

vii. Guidance for housekeeping and canteen management

B. Factory will identify different areas that may cause harm to reproductive health of workers and develop detailed procedures to minimize the exposure through operation controls. The procedures will also include non-retaliation policy to protect workers who report concerns.

C. Further policy will be reviewed periodically i.e., once in every year with the factory management and if required and based on the needs, policy will be revised and updated.

D. Revised policy will be communicated to relevant parties and work force and the training program conducted will be documented.

11. A. Factory will review and revise existing instructions for evacuation and include specific steps/instructions that will be followed to evacuate special category of workers such as pregnant workers, disabled workers, outsourced workers for construction if any.

B. Further revised policy will be reviewed periodically i.e., once in every year with the factory management and if required and based on the needs, policy will be revised and updated.

C. Revised policy will be communicated to relevant parties and work force and the training program conducted will be documented.

12. A. As per Factory guideline factory management will be revising all Factory Policies and Procedures. Once revisions are completed, all policies will be authorized by our approving authority (CEO/CFO) of the factory.

B. Further revised policy will be reviewed periodically i.e., once in every year with the factory management and if required and based on the needs, policy will be revised and updated.

C. Revised policy will be communicated to relevant parties and work force and the training program conducted will be documented.

Planned Completion Date

10/31/17

Planned completion date

03/19/17

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory does not conduct specific training for supervisors or workers for any of the Employment Functions.

2. Basic information is provided to all new workers during a 20-minute orientation, however it is not adequate for workers to fully understand the factory's policies and procedures on all Employment Functions. The orientation currently includes: working hours, fire safety, first aid information, leave procedures, social security, hygienic procedures for the canteen and toilets, grievance procedures, wage and overtime compensation, usage of personal protective equipment (PPE), prevention of harassment, and the implementation of disciplinary procedures. An employee handbook is provided to all workers and the factory Code of Conduct is posted on the notice board in the local language.
3. Most workers interviewed were aware of fire safety requirements and the use of PPE, but were not well aware of the following: machine safety, electrical and chemical safety, grievance reporting channels, disciplinary procedures, the calculation of the Provident Fund or gratuity and their benefits.
4. Information on Compensation is provided during orientation at the time of hiring to supervisors and workers, however the factory does not conduct any ongoing training for Compensation.
5. The factory does not provide any specific training on Hours of Work. Some information is given during orientation and in a display of working hours and breaks on the notice board in the local language.
6. No specific training on Workplace Conduct & Discipline is provided to HR staff, supervisors or work force. Some information on the procedures is provided through a general Code of Conduct awareness program, conducted every three months (last conducted on Sept 7, 2016).
7. Although the factory provides some information on grievance reporting channels through the general Code of Conduct awareness program, this training is not sufficient.
8. The factory does not conduct periodic trainings for the workforce on Environmental Protection. The last training for staff (supervisors and managers) was conducted in 2014.
9. No formal training is conducted for workers handling chemicals; there is only some basic verbal instructions on how workers should handle chemicals.
10. No specific training is provided on machinery safety, however operating instructions are provided to machine operators.
11. The factory conducts training programs on PPE every month in groups of 50 to 70 workers. So far 468 workers (14% of total work force) have been trained on PPE usage. A training calendar has been prepared to cover all workers which indicates it would take over three years to cover 100% of workers. No specific training is provided on machinery safety, electric safety, chemical safety, or lifting techniques.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, and ER.27; Health, Safety & Environment Benchmark HSE.9)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. Factory will ensure to organize a comprehensive training program to supervisors on all employment functions including but not limiting to: Working hours (including voluntary OT policy), wages and benefits, disciplinary procedures, industrial relations, grievance systems, recruitment and hiring, termination and retrenchment, etc. B. Factory will conduct above said training program between March 2017 to July 2017. C. Conducted training program will be documented with participants names and signatures along with photographs and training modules.

Planned Completion Date

10/31/17

Planned completion date

03/19/17

Action Plan no 2.

Description

2. A. Factory has revised its induction program and time of induction also has been increased to 90 minutes. B. The induction program now covers basic introduction about company, factory tour, briefing on fire safety, evacuation procedure, also briefing on employment cycles such as wages, benefits including leaves, disciplinary procedure, worker management communication, grievance procedure, etc .C. Conducted orientation program will be documented with participants names and signatures.

Planned Completion Date

10/31/17

Planned completion date

03/19/17

Action Plan no 3.

Description

3. A. The Factory has conducted training program to respective workers on electrical safety and chemical safety in the months Oct 2016, Dec 2016 and Jan 2017 respectively. Factory will also conduct trainings to workers on machine safety, grievance reporting channels, disciplinary procedures, the calculation of the Provident Fund or gratuity and their benefits which by end Oct 2017. B. Factory has also maintained list of participants that attended the training along with signatures and photographs. C. The training program will be continued and will be made part of ongoing trainings.

Planned Completion Date

10/31/17

Planned completion date

03/19/17

Action Plan no 4.

Description

4. A. The Factory has communicated information on compensation benefit with employees during Orientation and also has given a handbook. The factory has posted the calculation of compensation & benefit information on Notice Board. B. The Factory will ensure to include the topic of compensation in our ongoing training programs for entire workforce. C. Conducted training program will be documented with participants names and signatures.

Planned Completion Date

10/31/17

Planned completion date

03/19/17

Action Plan no 5.

Description

5. A. The Factory will conduct training on specified topic i.e., working hours between March and June 2017 and will cover full workforce. B. Factory will also include the topic on working hours in our ongoing training program. C. Training program conducted will be documented with participants names and signatures along with photographs

Planned Completion Date

10/31/17

Planned completion date

03/19/17

Action Plan no 6.

Description

6. A. Factory will conduct specific training program on workplace conduct and discipline to HR staff, supervisors and workforce between March 2017 and June 2017. B. Conducted training program will be documented with participants names and signatures.

Planned Completion Date

10/31/17

Planned completion date

03/19/17

Action Plan no 7.

Description

7. A. Factory will conduct trainings to workers on how to report grievances and how the grievances are handled between March and June 2017. B. Further factory will document the training program along with participants names and signatures.

Planned Completion Date

10/31/17

Planned completion date

03/19/17

Action Plan no 8.

Description

8. A. Factory will conduct trainings to workers on environment protection in batches from March to June 2017. B. Further factory will document the training program along with participants names and signatures.

Planned Completion Date

10/31/17

Planned completion date

03/19/17

Action Plan no 9.

Description

9. A. Factory will conduct specific training program on chemical handling to related workplace between March and June 2017.B. Conducted training program will be documented with participants names and signatures.

Planned Completion Date

10/31/17

Planned completion date

03/19/17

Action Plan no 10.

Description

10. A. Training on Machine Safety has been conducted to workers in Jan 2017.Training will also be conducted to workers on Machine Safety by end Oct 2017.B. This will be included as one of the topics in our ongoing training program.C. Conducted training program will be documented with participants names and signatures

Planned Completion Date

10/31/17

Planned completion date

03/19/17

Action Plan no 11.

Description

11. A. Training Calendar has revised and according to the training calendar we will cover all workforce by 30th Oct'17.B. Factory will also provide specific trainings on machinery safety, electric safety, chemical safety, or lifting techniques between March and June 2017.C. Conducted training program will be documented with participants names and signatures along with photographs.

Planned Completion Date

10/31/17

Planned completion date

03/19/17

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

The factory has not defined job responsibilities in writing for management of the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, Grievance System, Workplace Conduct & Discipline, and Health & Safety.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. Factory will define job responsibilities for all the employees handling employment functions such as Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, Grievance System, Workplace Conduct & Discipline, and Health & Safety.B. Once job responsibilities are developed, the same will be communicated to respective employees.C. Factory will obtain acknowledgement from respective employee for receiving the communication on job responsibilities.

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory's policy on Recruitment states that workers weighing under 40 kilograms will not be considered for employment. There was no corresponding reference or reasons for the practice in the policy.
2. The recruitment procedures verify age in Step 3 of the recruitment procedures; however, this should be done during the first step during the recruitment process.
3. Workers do not sign the performance review evaluation sheets. The results of performance reviews are verbally communicated to the workers.
4. Out of 53 workers interviewed, 22 workers stated that they had not attended any orientation program. None of the interviewed workers were aware of how the Provident Fund is calculated or disciplinary procedures.
5. The factory does not prepare job descriptions for all positions.
6. The service providers for the security guards and canteen workers do not conduct orientation or training programs for these workers and therefore these workers were not aware of leave benefits to which they are entitled.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.4, ER.15, and ER.29; Nondiscrimination ND.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. Factory has amended the recruitment policy and the clause specifying 40 Kgs weight has been removed. B. All employees involved in hiring process will be communicated on the above changes. C. Factory will also ensure that no such criteria (i.e., 40 Kgs weight) will be followed while hiring any worker/employee. D. Further compliance will be sustained and monitored through internal audits.
2. A. Factory has reviewed and revised the recruitment procedures; age verification process is included in the first step in hiring process. B. All employees involved in recruitment process will be communicated on the changes and further factory will ensure that hiring team verified age proof as a first step while hiring. C. Factory will ensure compliance through periodical internal audits.
3. A. The Factory will ensure that performance evaluation sheets are signed and acknowledged by workers. B. Factory HR and production department will be informed about giving chance to workers to review their performance evaluation sheets and sign on the same based on their review. C. Factory internal audit team will review the compliance on periodical basis and should there be any deviations, further action will be taken for correct implementation.
4. A. Orientation program has been conducted for all new workers and communicated to workers on PF & disciplinary procedure and pasted the policy on Notice Board. As a normal routine, factory provides orientation program to all new joiners. However, the factory will review the training records and make a note of all workers who have not joined orientation program. Further factory will provide orientation program to those workers who have not joined the orientation program previously by end Oct 2017. B. Further in upcoming training programs, calculation method of Provident Fund and disciplinary procedures will be emphasized. C. Conducted training programs will be documented with participants names and signatures. Factory hiring team and trainers responsible for orientation program will be in constant communication with each other so that factory does not miss out any new joiner from receiving orientation program.
5. A. Factory will develop job descriptions for all positions and respective employees will be communicated on the same. B. Factory will also obtain acknowledgement from respective employees for receiving copy of job descriptions.
6. A. Factory will conduct training program to security guards and canteen workers on basic compliance topics such as workplace standards, harassment and abuse, wages and benefits including leaves, working hours, grievance handling system, disciplinary procedures, etc., by the end June 2017. B. Factory will maintain training documents with participants names and signatures.

Planned Completion Date

Planned completion date

03/19/17

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The employment letter for the contracted security guards, which is issued by the service provider, is provided in English and not in the local language. Furthermore, the letter includes information on earned leave and sick leave but not on casual leave, as legally required
2. The employment letter issued to outsourced canteen workers does not include information on the provision of social security benefits, as legally required. However, workers are provided with the benefits.
3. The factory does not update information on earned leave on workers' service cards, which are kept in workers' personnel files. The factory does not maintain service cards for outsourced security guards and canteen workers at all. The maintenance of service card for all workers is a legal requirement.

Recommendations for Immediate Action

1. Provide employment letter for outsourced security guards in the local language.
2. Provide information in the employment letters on all leave to which the outsourced security guards are entitled.
3. Include information on social security in the employment contracts provided to the outsourced canteen workers.
4. Update the service cards of all workers on the factory roll with information on leave used and remaining. Maintain service cards for all outsourced security guards and canteen workers.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. Employment letter has already been developed in local language including all mentioned points including casual leaves. B. The revised letters will be issued to security guards.C. Factory will also obtain acknowledgement from security guards for receiving revised employment letter.
2. A. Employment letter has already been developed in local language including all mentioned points such as provision of social security benefits. B. The revised letters will be issued to canteen workers.C. Factory will also obtain acknowledgement from canteen workers for receiving revised employment letter.
3. A. Factory will update earned leaves in workers' service cards by the end of Aug 2017.B. Copy of service cards for security guards and canteen workers will be maintained and updated on regular basis. C. Factory will ensure compliance through periodical internal audits.

Planned Completion Date

10/31/17

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03/19/17

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory pays termination dues on the 12th day of the month independent of the last working day. Depending on the last working day, termination dues (which includes wages, the attendance bonus, incentives, any applicable gratuity, and payment for any unused leave) are sometimes paid after the legally required timeline (by law wages must be paid within seven days of the last working day and all remaining terminal dues must be paid within 30 days). The factory's pay period is from the 26th day of a month to the 25th day of the following month. Workers resigning between the 25th day of the month and the 11th day of a month are paid on 12th day of the

following month (i.e. more than 30 days after resigning). In a review of five sampled records, there was one instance when final payment was made 40 days after the last working day (the worker's last working day was May 31, 2016 and the final payment was made 41 days later on July 12, 2016). The other four workers were paid their termination dues within 30 days of their resignation. None of the five workers received their last wages within seven days of their resignation.

2. The outsourced security guards are not provided either earned leave or casual leave, although they are provided with sick leave.
3. The factory does not have a written policy on leave benefits for outsourced canteen workers and therefore does not provide any leave to these workers. Therefore, if a worker does not report for work, regardless of cause or notification, they are marked absent.
4. The pay records of the outsourced canteen workers do not have a revenue stamp (a legal requirement) or any information on their days worked or earnings.
5. The pay records of the outsourced canteen workers show that no deductions were made for the Provident Fund on their behalf. As per the Bangladesh Export Zone Processing Authority (BEPZA), 8.33% of basic wage is required to be deducted for the Provident Fund.
6. The outsourced canteen workers are paid their wages between the seventh and the tenth day of the month following the pay period. By law, all payments should be made by the seventh day of the month following the pay period.
7. The factory pays two out of nine electricians and 18 out of 26 mechanics a fixed wage between BDT 17,000 and BDT 18,000 per month (USD 214 and USD 227) regardless of the number of hours worked; hence they are not compensated at the correct premium wage rates for overtime worked. The remaining electricians and mechanics, who earn wages below BDT 15,000 per month (USD 189) are compensated at the correct premium wage rates for overtime hours. By law all workers need to be compensated for hours worked beyond regular hours at premium wage rates.
8. Pay slips are not provided to outsourced canteen workers.

Local Law or Code Requirement

Bangladesh Labour Law 2006 - Sections 30, 23(2), 108, 115, 116, and 123; BEPZA (Bangladesh Export Processing Zone Authority) Instructions no. 25 Provident Fund, Bangladesh Gazette of June 30, 2012 - The Stamp Act 1899 - Schedule I; FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.22; Hours of Work Benchmark HOW.1 and HOW.11; Compensation Benchmarks C.1, C.4, C.7, C.13, and C.15)

Recommendations for Immediate Action

1. Pay termination dues within 30 days from the last date of employment.
2. Pay wages post termination of employment within legally defined timelines (7 days from last date of employment).
3. Update policy to include casual leave entitlements for outsourced workers. Provide outsourced security guards with casual and earned leave. Provided outsourced canteen workers with all required leave.
4. Ensure the pay records of outsourced canteen workers reflect all earnings, deductions, and wages paid.
5. Provide Provident Fund benefits to outsourced canteen workers and reflect these contributions towards the fund as deductions in their wage records.
6. Affix revenue stamp on wage records for all payments made that exceed BDT 1000 (USD 12.70).
7. Pay all electricians and mechanics appropriate compensation for all extra hours worked beyond regular hours.
8. Provide pay slips to outsourced canteen workers.
9. Pay wages to outsourced canteen workers within seven days of month following the pay period.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. The Factory has amended this policy, and will pay monthly wages and all the termination dues within 7 days of their resignation and 30 days of last working days respectively i.e., as per legal requirement. B. All the HR and finance team involved in maintaining payrolls will be communicated to follow strict compliance. C. Internal audit team will strictly monitor the compliance and should there be any deviations, the same will be remedied immediately.
2. A. The factory will review and ensure that legally applicable leaves such as earned leaves, casual leaves are provided to outsourced security guards. B. Compliance will be monitored through regular checks and internal audits.
3. A. Further policy on benefits will be revised and amended so as to reflect provision of leave benefits to outsourced canteen workers. Canteen workers will be provided with all leave benefits as legally required. B. Leave benefits of canteen workers has been included in their appointment letter. C. Further factory will ensure the compliance through regular checks and internal audits.
4. A. The Factory has already implemented the system of affixing revenue stamp in canteen workers pay sheet. B. Further this will be monitored and maintained through labor internal audits.
5. A. As per legal requirement we will communicate with canteen vendor for taking necessary steps to provide social security i.e., Provident Fund benefits to all outsourced canteen workers. B. By June 2017 all outsourced canteen workers will be provided with benefits of Provident Fund. C. Factory will also ensure that workers contribution towards provident fund will be reflected in wage slips of outsourced canteen workers. D. Further compliance will be monitored and sustained through internal audits.
6. A. From March 2017 all payments are being made within 7 (seven) working days of end of pay period as per legal requirement. B. Further compliance will be monitored and sustained through periodical internal audits.
7. A. From March 2017, factory will pay overtime wages as required by law i.e., at double the wages to all electricians, mechanics if they work extra hours beyond regular hours. B. Factory will communicate about payment of overtime wages at double the wages to respective employees. C. Conducted training program will be documented with participants names and signatures. D.

Implementation will be monitored and sustained through labor internal audits

8. A. Factory has already implemented the process of providing copy of pay slips to all outsourced canteen workers. B. This will be regularly monitored by HR during wage distribution process.

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FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. A review of sampled time records for November 2015, April 2016, and August 2016 revealed that in August 2016, workers from production processes had worked more than 60 hours a week. Workers from the cutting, sewing, quality, finishing, ironing, maintenance, and housekeeping sections worked between 60 and 90.5 hours a week in August.
2. A review of sampled time records from November 2015, April 2016, and August 2016 revealed that in August 2016, 21 out of 27 sampled workers had worked in excess of the legal maximum of 10 hours a day. Workers from the cutting, sewing, sampling, finishing, ironing, maintenance, and housekeeping sections worked between 10 and 15.25 hours per day. Workers in the maintenance section worked between 12 and 21.75 hours per day. During November 2015 and April 2016, working hours were within 10 hours a day.
3. Since time records for outsourced security guards were unavailable (maintained only by the service provider) and the records for outsourced canteen workers are unreliable, their actual working hours could not be verified. The interviewed workers said they had not worked any overtime. For example: (a) the time records for four out of the five requested for samples from the outsourced security guards were not available for review and (b) the soft copy of timecards for October 2016 for all four sampled outsourced canteen workers reflected that workers on shift B worked from 3pm to 9pm on the 12 noon to 9pm shift. Hard copies provided for the same sampled workers reflected that workers had worked from 12 noon to 9pm. Management could not provide a satisfactory response for the discrepancy and stated that there was an error in the software.
4. The factory has not defined break times for any of the three shifts.
5. The factory does not have a system to identify pregnant or lactating workers to ensure they receive their entitled legal protection concerning working hours.

Local Law or Code Requirement

Bangladesh Labour Law 2006 - Sections 100, 101, 102(2), and FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.23; Hours of Work Benchmarks HOW.1, HOW.3, HOW.5 and HOW.8)

Recommendations for Immediate Action

1. Ensure working hours do not exceed 60 hours a week.
2. Ensure working hours do not exceed 10 hours a day.
3. Define break times for all shifts.
4. Maintain time records for outsourced security guards and ensure they are available upon request.
5. Accurately record working hours for the outsourced canteen workers.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. Factory will restrict working hours to 60 hours per week i.e., with 2 hours of overtime on daily basis. Factory management must ensure that all OT is strictly voluntary; workers should not receive any retaliation for declining to work OT. B. Factory further will review planning, material delay, work process etc., to make adjustments accordingly in order to reduce working hours. C. If factory identifies any deviations in reference to planning, material delay, work process, capacity issue etc., particular department will be informed and control measures will be taken. D. Working hours will also be tracked in order to ensure compliance and if any worker works beyond legal limits then another worker will be given an opportunity to work overtime i.e., on rotation basis.
2. A. Factory will restrict working hours to 60 hours per week i.e., with 2 hours of overtime on daily basis. B. Factory further will review planning, material delay, work process etc., to make adjustments accordingly in order to reduce working hours. C. If factory identifies any deviations in reference to planning, material delay, work process, capacity issue etc., particular department will be informed and control measures will be taken. D. Working hours will also be tracked in order to ensure compliance and if any worker works beyond legal limits then another worker will be given an opportunity to work overtime i.e., on rotation basis.
3. A. Factory has implemented electronic system of time recording to all outsourced workers including security guards and canteen

workers.B. All working hours including all overtime if any for these outsourced workers will be recorded through electronic system of time recording based on which actual wages will be calculated and paid to them.C. Compliance will be ensured and monitored through internal audits.

4. A. Break time for all the three shifts has been defined and posted on notice boards for workers awareness.B. Workers will also take breaks in all three shifts as scheduled.

5. A. Factory already has identification system for identifying pregnant or lactating workers but now factory further has enhanced the system by providing 'PRIORITY' badges to aforesaid workers. B. All workers will be made aware about workers wearing 'PRIORITY' badges and need to be given priority where relevant. C. Factory will also ensure that they receive their entitled legal protection concerning working hours.

Planned Completion Date

09/30/17

Planned completion date

03/19/17

FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

The factory does not record the date of payment on pay records for termination dues; only the month of payment is recorded.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. Factory will restrict working hours to 60 hours per week i.e., with 2 hours of overtime on daily basis. Factory management must ensure that all OT is strictly voluntary; workers should not receive any retaliation for declining to work OT.B. Factory further will review planning, material delay, work process etc., to make adjustments accordingly in order to reduce working hours.C. If factory identifies any deviations in reference to planning, material delay, work process, capacity issue etc., particular department will be informed and control measures will be taken. D. Working hours will also be tracked in order to ensure compliance and if any worker works beyond legal limits then another worker will be given an opportunity to work overtime i.e., on rotation basis.

2. A. Factory will restrict working hours to 60 hours per week i.e., with 2 hours of overtime on daily basis. B. Factory further will review planning, material delay, work process etc., to make adjustments accordingly in order to reduce working hours.C. If factory identifies any deviations in reference to planning, material delay, work process, capacity issue etc., particular department will be informed and control measures will be taken. D. Working hours will also be tracked in order to ensure compliance and if any worker works beyond legal limits then another worker will be given an opportunity to work overtime i.e., on rotation basis.

3. A. Factory has implemented electronic system of time recording to all outsourced workers including security guards and canteen workers.B. All working hours including all overtime if any for these outsourced workers will be recorded through electronic system of time recording based on which actual wages will be calculated and paid to them.C. Compliance will be ensured and monitored through internal audits.

4. A. Break time for all the three shifts has been defined and posted on notice boards for workers awareness.B. Workers will also take breaks in all three shifts as scheduled.

5. A. Factory already has identification system for identifying pregnant or lactating workers but now factory further has enhanced the system by providing 'PRIORITY' badges to aforesaid workers. B. All workers will be made aware about workers wearing 'PRIORITY' badges and need to be given priority where relevant. C. Factory will also ensure that they receive their entitled legal protection concerning working hours.

Planned Completion Date

09/30/17

Planned completion date

03/19/17

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

The policy on Freedom of Association refers to existence of "Employees' Committee" while no such committee exists. Per legal requirement, the factory is required to form an independent workers' committee, the Workers' Welfare Association (WWA), if 30% of workers are willing to form a WWA. So far, the factory only has consent from 0.8% of workers and hence a WWA has not been formed. The factory has formed a Joint Consultative Committee (JCC) which is a joint worker management committee to address related concerns. However, both worker and management representatives in the JCC are selected by management and not elected as stated in the procedures. Furthermore, the roles and responsibilities for members of the JCC are not defined nor are methods to provide updates to workers after the JCC's monthly meetings.

Local Law or Code Requirement

FLA Workplace Code (Freedom of Association Benchmark FOA.11)

COMPANY ACTION PLANS

Action Plan no 1.

Description

.1. A. Policy on freedom of association will be revised and clause containing employee committees will be removed from the policy. B. The Factory management has communicated to all of their employees about the procedure to create a Worker Welfare Association including the benefits and functions of WWA. This is a continuous process which factory will follow and communicate to all workers about functions and benefits of WWA once in every year. They didn't get sufficient level of willingness from the workers to constitute Workers Welfare Association hence factory formed Joint Consultative Committee. C. The written roles and responsibilities will be defined and communicated to all the members moreover the factories has shared the meeting minutes of every month by pasting them on the notice board. D. Additionally, the factory will review the policy and procedure and adapt appropriate method of selection procedure which is fairly represented by workers. Further roles and responsibilities will be revisited and if any changes required, the same will be done and communicated to representatives.

Planned Completion Date

10/31/17

Planned completion date

03/19/17

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

The factory does not provide workers with a copy of workplace rules during orientation. In the employee handbook there is some information pertaining to types of misconduct and actions that will be taken if misconduct is proven, however the procedures are not defined in detail. Disciplinary procedures include: (i) issuing of written warning letters (ii) holding promotions and wage increases (iii) demotions and (iv) dismissals from employment.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. Factory will develop detailed policy and procedure of work place rules and disciplinary procedures as required by BEPZA instructions. Once policy and procedures are developed, the same will be included in workers hand book. B. Further factory will communicate the policy on disciplinary procedure to workers and awareness program will be documented with participants names

and signatures.C. Factory will also provide copy of workplace rules to workers during orientation program and acknowledgement will be obtained from workers for receiving copy of workplace rules.

Planned Completion Date
10/31/17

Planned completion date
03/19/17

FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

The factory only opens the grievance boxes once a week which could deter workers from using the boxes. As stated by management, no grievances were found in the grievance boxes as workers do not use the boxes, since workers directly file grievances with their supervisors and management.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. Factory will develop detailed policy and procedure on grievance handling system that will include suggestion box handling procedures and procedures for handling verbal grievances. B. The above said policy and procedure will include step by step approach in reference to responsibility for handling grievances, revised frequency for opening suggestion boxes to avoid delays, communicating management action to workers etc., C. Further factory will communicate the policy and procedure to workforce and document the awareness program conducted.

Planned Completion Date
10/31/17

Planned completion date
03/19/17

FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory has not provided spill response kits in the diesel and thinner storage areas. A total of 16,000 liters of diesel is stored in the generator room (two tanks of 8,000 liters) and 16,000 liters of diesel is stored in a separate storage tank near the warehouse.
2. That factory has not provided secondary containers for the machine oil barrels or thinner containers stored in the chemical store.
3. Currently all waste is stored outside in the open and not labelled, although it is separated, during the construction of the waste storage area (in progress).
4. The factory does not have an appropriate system to respond to any unexpected environmental emergency such as chemical spills or gas leaks.
5. The Environmental Protection policy is not dated and no review period is defined. Per management statement, the policy is reviewed at least twice a year but review dates are not recorded.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1; Health, Safety & Environment Benchmark HSE.1, HSE.5, and HSE.9)

Recommendations for Immediate Action

1. Provide spill response kits near all chemical storage areas.
2. Provide secondary containers for chemicals stored in the factory.
3. Correctly label any waste material in the local language and store in a protected and restricted area.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. Factory will provide spill response kit in diesel and thinner storage areas. B. Employees handling diesel and thinner will be provided with training on handling and usage of chemical spill response kits. C. Sustainability will be monitored through Health and Safety internal audits.
2. A. Factory will provide appropriate secondary containment for machine oil and thinner containers in chemical stores.
3. A. Factory is in the process of constructing separate waste storage area.
B. Once construction is completed, all types of waste will be labelled and stored in designated storage area in organized manner.
C. All the waste will also be labelled in a language understand by all workers.
D. All employees managing wastes will trained on waste handling and management procedure.
E. Conducted training program will be documented with participants names and signatures.
4. A. Factory will develop a system to respond to any unexpected environment emergencies including spills and gas leaks.
B. Responsible employee will be trained on the above said system and procedures. C. Conducted training program will be documented with participants names and signatures.
- 5 A. Factory will ensure to include policy review date and updated date in environment policy. B. Factory will develop separate procedure to review all policies and procedures including frequency of review.

Planned Completion Date

06/30/17

Planned completion date

03/19/17

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. At approximately 20% of work stations in the sewing section, two workers were seen sitting either very close to each other with chairs touching or sitting back to back, restricting quick and easy access to walkways. In approximately 5% of work areas in the sewing and checking sections, work stations were cramped with workers who were confined to their work stations with no access to walkways.
2. Access to walkways in the sewing section is blocked with tables, work stations, and carton trolleys. Access to walkways in the ironing and packing section is partially restricted by garments hanging on stands located along these work stations.
3. The aisles and evacuation routes are not marked in the kitchen.
4. There is only one exit out of the kitchen where there are more than 10 workers.
5. There is only one 5-kilogram fire extinguisher in the kitchen where there is usage of gas and cooking oil, which is insufficient.
6. The electric cords that connect sewing machines to the main power source lie close to workers' feet and the legs of workers' chairs which could cause injury or hinder an evacuation process.

Local Law or Code Requirement

Bangladesh Factory Act, 2006; Bangladesh Factory Rules 1979, Sections 51 and 52; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.5 and HSE.13)

Recommendations for Immediate Action

1. Decongest areas in the sewing section and maintain adequate space at all work stations and ensure workers have free and unrestricted access to walkways.
2. Keep access to walkways free of obstructions. Regularly monitor for compliance.
3. Mark aisles and evacuation routes in the kitchen.
4. Provide a second exit out of kitchen.
5. Provide an adequate number of fire extinguishers for the kitchen.
6. Align electric cords connecting sewing machines to the main power source in a manner that is away from workers' feet and chairs.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. Factory will reorganize sewing and checking areas in order to provide sufficient space between workers and work stations so that workers can easily move in and out of work areas and in turn have easy access to walk ways and aisles. B. Supervisors and workers will also be instructed to not to block aisles, work stations by keeping materials.
2. A. Factory will reorganize sewing, ironing and packing section to ensure unwanted materials and other furniture such as tables/trolleys are kept at designated places keeping walkways/aisles obstruction free. B. Supervisors and workers will be educated to ensure obstruction free walkways to facilitate smooth evacuation during emergency.
3. A Factory has marked aisles and evacuation routes in kitchen pointing towards exit to facilitate smooth evacuation during emergency.
4. A. Factory will provide second exit to kitchen in order to facilitate smooth evacuation during emergency. 5. A. Factory has now provided adequate number of fire extinguishers in kitchen. B. Employees working in kitchen are made aware of provision of additional fire extinguishers.
6. A. Factory will ensure to permanently secure electrical wires beneath sewing boards using U-Clips and away from workers' feet using ring holders.

All the above points from 1 to 6 will be included in Hazard Identification and Risk Assessment so that factory takes appropriate control measures and monitor the compliance to sustain the implementation.

Planned Completion Date
10/31/17

Planned completion date
03/19/17

FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Although the factory posts MSDSs for all chemicals, they are all in English, and not in the local language.
2. None of the ten sampled first aid kits contain the following: sterilized gloves, scissors, wood splints, eye wash cups, and lotion.
3. The factory has not marked traffic lanes or installed speed breakers, reflectors or convex mirrors at blind turns to assist in safe driving practices. Convex mirrors are not installed on blind turns on the ground floor of the building where the warehouse is located, in order to avoid collisions between workers and trolleys.
4. The factory has not posted signs indicating confined spaces at their entrances.
5. The factory has not implemented a lockout-tagout (LOTO) procedure for maintenance work.
6. In the kitchen, the standing fan was not connected to the main power source with a safety plug.
7. The factory provides only one glass near the drinking water stations for use by all workers, which is not hygienic.
8. The drinking water and hand washing points in the canteen are at the same station and not separated.
9. The number of toilets for female workers is inadequate: there are 76 toilets for 2260 female workers which does not comply with the required ratio of 1 for every 25 workers.
10. The factory has not installed eye wash stations near chemical storage areas

Local Law or Code Requirement

Bangladesh Factory Rules 1979, Sections 25, 42, and 55; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.6, HSE.9, HSE.10, HSE.13, HSE.14, HSE.20, and HSE.23)

Recommendations for Immediate Action

1. Post MSDSs for all chemicals in the local language.
2. Stock all first aid kits with sterilized gloves, scissors, wood splints, eye wash cups, and lotion as required by law.
3. Mark traffic lanes and install speed breakers, reflectors, and convex mirrors at blind turns around the factory, including the ground floor of the warehouse building, to assist safe driving practices.
4. Post appropriate signage near all confined spaces.
5. Implement a lockout-tagout procedure for maintenance work and train workers on the procedures.
6. Provide safe plug for the electric cord connecting the standing fan with main power source in the kitchen. Ensure all electrical appliances are connected to main power source using plugs.
7. Provide additional glasses at drinking water stations.

8. Separate drinking water and hand wash points in the canteen.
9. Provide an additional 14 toilets for female workers to maintain the legally mandated ratio.
10. Install eyewash stations near all chemical storage areas,

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. Factory will ensure to post Material Safety Data Sheets in local language along with required information on handling, storage and usage of PPEs to all chemical containers. 2. A. As per legal requirement factory has provided all the necessary items including sterilized gloves, scissors, wood splints, eye wash cups, lotion etc., in the First aid kits and medical room
B. Further factory nurse will be assigned to inspect all first aid boxes on daily basis to ensure compliance. 3. A. Factory will review and mark traffic lanes, install speed breakers, reflectors and convex mirrors where required around the factory especially in ground floor of warehouse building.
B. Further relevant parties will be trained on traffic safety.
C. Conducted training program will be documented with participants names and signatures. 4. A. Factory will post caution signage near all confined spaces and restrict entry of unauthorized personnel to confined spaces. 5. A. Factory has started following lockout-tag out procedure for maintenance work.
B. Factory will also train the maintenance/electricians workers on lockout-tag out procedure and document the training program conducted with participants names and signatures.

Planned Completion Date

10/31/17

Planned completion date

03/19/17

Action Plan no 2.

Description

6. A. Factory has provided safety plug for the electrical wire connecting the stand fan and power source in kitchen. Factory electrician further will check and ensure all electrical appliances are connected to main power source using plugs. 7. A. Additional glasses provided to the defined stations to prevent/avoid sharing of cups between workers defining the use and unused glass. Factory will monitor the system so that the number of the glasses provided are sufficient Or workers will be provided with their own cups.
B. Workers will also be trained about the new system and bad effects on health if they share cups. Conducted training programs will be documented with participants names and signatures.
C. Housekeeping employee has been trained to wash used glasses and keep the same in designated unused place.
8. A. Factory will ensure to separate drinking water points and hand wash points with signage.
B. Workers will also be made aware of using the drinking water points and hand wash points accordingly.
9. A. Factory has provided sufficient toilets as required by law. However further this will be reviewed and if toilets are not sufficient as required by law then factory will provide number of toilets as required by law.
10. 71. A. Factory has installed eyewash stations near chemical storage areas. Image enclosed for reference.

Planned Completion Date

12/31/17

Planned completion date

03/19/17

FINDING NO.15

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. None of the machines have safety instructions posted.
2. The factory has not provided gloves to production workers handling denim fabric, who therefore had blue dye from the fabric on their hands and fingernails. This runs the risk of infection or illness since workers use their hands to eat food.
3. Cooks in the canteen kitchen were seen using long iron stirrers and using a piece of cloth to avoid burning their fingers. The cooks also used their bare hands to transfer hot and steaming rice into serving utensils. They are not using provided aprons, nor does the factory provided them with gloves, or protective shoes to protect from hot water or hot rice spills. The two female workers washing dishes are

bare foot and continuously exposed to water. One dishwasher was using a cloth apron which was wet enough to stick to her clothes; the other dishwasher was not using the provided apron (the factory has not provided training to the dishwashers on the proper use of aprons and shoes). The factory has not provided finger guards to the workers cutting vegetables using a fixed knife, and therefore they tie a piece of fabric around their thumb to prevent injuries. Most workers in the canteen kitchen were using cloth aprons which may not protect against hot water or oil burns. Four out of 14 workers in the kitchen do not use the provided head caps (training has also been provided). The cloth aprons being used are not clean and have old food stains.

4. A worker using a stain remover gun for removing stains from cut fabric panels does not use the provided hand gloves.

5. The factory does not provide eye shields for operators of the rivet and snap button machines.

6. Needle guards on 90% of sewing machines are pushed upwards rendering them ineffective.

7. The ladder used to climb the external diesel tank (located near the warehouse) does not have hand rails or a safety cage installed for fall protection. The step platform on the top of the tank is rusted and partially damaged.

Local Law or Code Requirement

Bangladesh Factory Rules 1979, Section 42; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.8, HSE.14, and HSE.22)

Recommendations for Immediate Action

1. Post safety instructions on all machines in the local language.

2. Provide hand gloves to workers handling denim fabric and training on their use.

3. Provide hand gloves, appropriate aprons, and footwear to cooks in the kitchen; appropriate footwear and aprons to dishwashers; and finger guards to workers using sharp knives. Provide training on the use of protective personal equipment (PPE). Educate and monitor to ensure kitchen workers use hair nets and clean aprons.

4. Retrain worker removing stains on cut panels in cutting section on proper PPE use. Regularly monitor for compliance.

5. Provide eye protection to workers operating the rivet and snap button machines, and training on its use.

6. Educate workers on use of needle guards and monitor for usage to ensure compliance.

7. Install hand rails and a safety cage on the ladder used to climb the external diesel tank located near warehouse. Repair or replace the step platform on the top of the tank.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. Machine safety instructions have already been implemented and posted, images are herewith attached.

2 A. Factory has provided gloves to workers handling denims. # Factory will organize training program on usage of PPE and conducted training program will be documented with participants names and signatures.

3. A Factory has provided below:i. Appropriate head gears, aprons and footwear to cooks.ii. Appropriate footwear and aprons to dish washers.iii. Finger guards to vegetable cutters.B. Factory will organize training program to canteen workers on positive effects of using PPE. Training program conducted will be documented for evidence.C. Factory HR and Compliance team will monitor the compliance on periodical basis.

4. A. Factory has removed the process of removing stains from cut panels. However if factory introduces the process aging then factory will ensure workers wear appropriate PPE while removing stains from cut panels. B. Factory will also introduce system for monitoring compliance through internal audits.

5. A. Factory has provided eye protection device to workers operating on rivet/snap button machines. B. Factory will conduct awareness program for the use of Eye Protection.

6. A. Factory will conduct awareness program to ensure proper use of Needle guards. B. Further compliance will be monitored by HR and Compliance team through periodical checks. Periodic checks will be documented.

7. A. Factory has already provided handrails to ladder used to climb diesel tank. Feasibility of providing safety cage will be assessed and accordingly will provide safety cage to the ladder. B. Step platform on top of the tank will also be repaired/replaced after detailed review and study.

Planned Completion Date

12/31/17

Planned completion date

03/19/17

FINDING NO.16

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has not contracted a third party to conduct a risk assessment which includes fire risk. The assessment conducted internally covers machine safety, electrical safety, ergonomics, the canteen, and housekeeping but does not cover risks based on the work place or provide information on the frequency, severity, impact or controls to be implemented to reduce risk. A standard list of PPE and safety requirements has been documented as "available" for all work areas irrespective of nature of work being done as some of the PPE marked as available do not apply to the work area. In some areas where the PPE is required, it has been marked as not available. For example, the procedures and PPE list for the band knife machine does not include mesh gloves, which are required. The hand held cutting machines used in the cutting section are not included in the procedures or PPE list.
2. The factory has provided sitting workers height-adjustable chairs with back rests, however the checking tables are fixed in height. Three to four taller workers were slightly bending over while working on checking machines. The factory does not provide anti-fatigue mats to standing workers, except for those in the ironing section.
3. The elevator inspection report does not include information on operational status of the alarm, overload function, locking mechanism, and emergency stop arrangement.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.4, and HSE.17)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A. Management will contract third party to asses HIRA (Hazard identification and Risk Analysis) at every activity/workplace/process that will follow step by step approach including severity, risk rating, priority, control measures etc., B. Factory will further revise PPE Management list and include all relevant areas of work where PPE is required. C. Factory will also ensure the availability of PPEs in all relevant work areas based on risk assessment result.
2. A. Factory has already provided anti-fatigue mats to standing workers including checkers. Evidence enclosed as a picture. For taller workers who are working on checking tables/machines, factory will provide adjustable chairs so that workers can adjust the height of the chairs according to their comforts and then use checking tables/machines in sitting position.
3. A Elevator inspection was conducted by competent third party agency and going forward factory will ensure that parameters such as operational status of alarm, overload function, locking mechanism and checking of emergency stop arrangement will be included in the inspection report.

Planned Completion Date

10/31/17

Planned completion date

03/19/17