



FAIR LABOR  
ASSOCIATION®

## INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Under Armour, Inc.

COUNTRY: Bangladesh

ASSESSMENT DATE: 12/08/16

ASSESSOR: Insync Global

PRODUCTS: Apparel

NUMBER OF WORKERS: 1000

## 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 policies and procedures for Recruitment & Hiring but not for Personnel development, including those on performance reviews.
2. The Hours of Work procedures do not define the steps for recording workers' attendance in the event they are not able to use their swipe cards.
3. Although there is a policy, there are no written procedures on Termination & Retrenchment, however some documents or systems exist.
4. The factory has a written policy on Industrial Relations. However, the policy mostly describes how grievances are handled, and is therefore more indicative of the Grievance System. There are no written procedures on Industrial Relations.
5. Written procedures on Workplace Conduct & Discipline do not define the following: what actions will be taken according to the nature of misconduct; the requirement to record and file all warnings and disciplinary actions; and steps for workers to appeal disciplinary action.
6. The written procedures on the Grievance System include the use of channels such as the complaint box, Welfare Officer, the Worker Welfare Association, hot line, and email for reporting grievances. However, the procedures do not include either information on reporting grievances through a supervisor (even though in practice, workers approach supervisors as their main channel to file grievances) or steps to communicate the results of grievances to the general workforce.
7. The Grievance System policy does not include non-retaliation for workers who issue a grievance.
8. The Health & Safety procedures do not define the following: a) the person(s) responsible for inspections of the appliances and machinery their respective timelines; b) measures to protect the reproductive health of workers through minimizing exposure to workplace hazards; c) how workers can raise health and safety concerns or the protection against retaliation for workers who raise health and safety concerns; d) steps for ensuring that walkways/aisles and emergency exits are free from obstruction; e) information on designated emergency assembly areas; e) steps to ensure that all personnel, visitors, contractors, service providers, special categories of workers, and children in childcare facilities are safely evacuated; f) requirement for electrical certifications, inspections, assessments and reviews (overall electrical system, grounding system, lightning protection system); g) a complete chemical inventory, steps that should be taken to protect workers if there is an accidental chemical spill, including identifying those who are responsible for cleaning up the spill; h) precautions people must take prior to, or during entry and stay in each confined space; i) requirement to conduct a fire risk assessment; j) what workers should do in case of injury (however, a picture of proper procedures is posted in all work areas); and k) steps for reporting death, injury, illness, and other health and safety issues. Furthermore, the factory does not have any guidance documents for external contractors or service providers concerning Health & Safety.
9. Although the factory has a policy on Environmental Protection, there are no written procedures, including those that would enable workers to raise environmental concerns, report environmental emergencies, or protections for workers who allege environmental violations.

##### Local Law or Code Requirement

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

The factory must identify the manager and/or team who/that will ensure the current developed Recruitment, Hiring and Personnel Development, Compensation, Hours of Work, Termination and Retrenchment, Industrial Relations, and Grievance System policies and procedures, are consistent/compliant with FLA Benchmarks and must include:

1. Personnel Development procedures must: a) outline the criteria for i) promotion; ii) demotion, and iii) job reassignment, iv) demonstrate linkages to job grading, and v) prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment; b) encourage the ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond; c) outline the performance review steps and process, d) demonstrate linkages to job grading, e) prohibit discrimination, and f) provide written feedback to workers.
2. Hours of Work procedures that clearly define the steps for recording workers' attendance in the event they are not able to use their swipe cards;
3. Written procedures on a) Termination and b) Retrenchment;
4. Written procedures on Industrial Relations.
5. Written procedures on Workplace Conduct and Discipline must define the following: a) Actions will be taken according to the nature of misconduct; b) the requirement to record and c) file all warnings and disciplinary actions; and steps for workers to appeal disciplinary action.
6. Grievance System procedures that must include content that addresses and makes clear: a) The use of channels such as the complaint box; b) Welfare Officer; c) the Worker Welfare Association; d) Labor Voices and other hot line service(s); e) email for reporting grievances to senior management; f) information on reporting grievances through a supervisor as main channel to file grievances, and/or g) steps to communicate the results of grievances to the general workforce.
7. The grievance system includes a non-retaliation statement for workers who use the grievance system.
8. The Health & Safety procedures to define the following: a) the person(s) responsible for inspections of the appliances and machinery their respective timelines; b) measures to protect the reproductive health of workers through minimizing exposure to workplace hazards; c) how workers can raise health and safety concerns or the protection against retaliation for workers who raise health and safety concerns; d) steps for ensuring that walkways/aisles and emergency exits are free from obstruction; e) information on designated emergency assembly areas; e) steps to ensure that all personnel, visitors, contractors, service providers, special categories of workers, and children in childcare facilities are safely evacuated; f) requirement for electrical certifications, inspections, assessments and reviews (overall electrical system, grounding system, lightning protection system); g) a complete chemical inventory, steps that should be taken to protect workers if there is an accidental chemical spill, including identifying those who are responsible for cleaning up the spill; h) precautions people must take prior to, or during entry and stay in each confined space; i) requirement to conduct a fire risk assessment; j) what workers should do in case of injury (however, a picture of proper procedures is posted in all work areas); and k) steps for reporting death, injury, illness, and other health and safety issues. Furthermore, management to issue specific guidance documents for external contractors or service providers concerning Health & Safety requirements while at the factory.
9. Written Environmental Protection procedures that include a system that would enable workers to: a) raise environmental concerns; b) report environmental emergencies; and c) protections for workers who allege environmental violations.

Planned Completion Date

06/30/17

#### Planned completion date

04/28/17

#### Company Action Plan Update

October 15, 2018:

1. Personal Development Procedure: RSB Prepared the SOP on Personal Development. This SOP contain all outline criteria, please see supporting documentation
2. Hours of Work procedure: RSB clearly defines the steps in the Hours of work SOP when one workers unable to brings their swipe card.
3. Termination and Retrenchment: RSB prepared the SOP on Termination and Retrenchment.
4. Industrial Relations procedure: RSB written down the Industrial relation procedure.
5. Workplace conduct and discipline procedure: RSB added the said instruction in the SOP of disciplinary procedure
6. Procedure on Grievance System: RSB Added said instruction in the SOP of Grievance mechanism.
7. RSB Include non-retaliation statement in the SOP of Grievance mechanism.
8. Health and safety procedures: RSB added the said instruction in the SOP of Health and safety.
9. Environment protection procedures: RSB added the said instruction in the SOP of Environmental Management

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Training (Macro)

#### Finding Explanation

1. The factory has only trained 218 out of 837 workers on Recruitment & Hiring. The remainder will be trained by December 31, 2016. The training does not include Personnel Development.
2. The factory has only provided specific training on Compensation to 138 out of 837 workers. Information on wages and benefits is, however, posted on the notice boards.
3. The factory has not provided any specific training to supervisors or workers on Hours of Work. Some information is provided to all workers and supervisors during the general code of conduct training, which takes place every three months
4. The factory has not provided any training to supervisors or workers on Termination & Retrenchment.
5. The training provided on the Grievance System does not include steps for workers to take should their grievance not be addressed by the responsible person(s). The factory has trained 812 workers out of 837 on the Grievance System; the remainder will be trained by December 31, 2016.
6. The factory provides specific training to supervisors and workers on Freedom of Association but not on other Industrial Relations topics.
7. The factory does not train supervisors or workers on Environmental Protection, though some information on reducing water and electricity use is verbally provided through the general code of conduct training.

#### Local Law or Code Requirement

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

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Sustainable Improvement Required:

The factory management must identify to us the manager(s) that will:

1. Create and implement an ongoing comprehensive training program based on the key Employment Functions (as identified in the finding above). Provide ongoing training on all policies and procedures; including, but not limiting: Recruitment, Hiring and Personnel Development, Compensation, Hours of Work, Industrial Relations, Grievance System, Termination/Retrenchment, Environmental Protection, Health and Safety (see refer to the FLA Benchmarks).
2. Establish mandatory training for all employees within the factory, including administrative staff, supervisors, and managers. More specifically, ensure HR personnel and administrative staff are trained on the factory's workplace conduct and discipline.
3. Ensure all supervisors and managers are trained on the workplace standards, national laws and regulations, FLA code and benchmarks, particularly, on termination and retrenchment, industrial relations, environmental protection; and grievance system.
4. Designate properly credentialed/experienced/knowledgeable compliance staff (or engage 3rd party expert/firm) responsible for the implementation of the training program.
5. Enhance new worker orientation briefings by including more information about Under Armour, FLA Workplace Codes and Benchmarks and more specific information about factory's Personnel Development, an overview of employee handbook and other factory policies.
6. Ensure workers are provided with written documentation that substantiates all the issues covered during orientation briefings.

Please submit to us supportive documentation, e.g. training plan/program, briefings PPTs, etc.

Planned Completion Date

08/11/17

#### Planned completion date

04/28/17

#### Company Action Plan Update

October 15, 2018

1. Comprehensive Training program: RSB added the health & Safety and personnel development into program in the regular training schedule.
2. Mandatory training: RSB Giving the training to her all employee on the basis of regular training schedule.
3. Supervisor Training: RSB have supervisor training schedule for the year of 2018
4. Designate properly compliance staff: RSB appointed a compliance staff for carry out the training schedule.
5. New worker orientation: RSB refreshed the orientation program as per said instruction.
6. Written documents: RSB provides hand book to workers, here write the all topics of the orientation.
7. Updated training schedule with all covered topics in 2018, please see supporting documentation

## FINDING NO.3

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Responsibility & Accountability (Macro)

##### Finding Explanation

1. The factory has not formally defined, in writing, the person(s) responsible for any of the Employment Functions.
2. The factory has only informally defined the person with ultimate responsibility in the factory.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Sustainable Improvement Required:

Senior management must identify to us in writing and by specific employment function, the manager(s) and/or team who will ensure to: a) define, in writing, the staff members responsible for ALL of the employment functions (recruitment, hiring and personnel development, compensation, hours of work, workplace conduct, grievance system, termination/retrenchment, labor relations, health and safety, and environmental protection) implementation and enforcement. For example: Hour of Work- identify to us the person responsible to ensure the hours of work policy and procedures are FLA compliant and that carrying out and/or implementing policy and procedures are included in the person's job description as one of the main tasks or responsibilities; and b) define, in writing, the staff person with the ultimate responsibility to properly implement/enforce all factory's policies and procedures based on the FLA SCI's Employment Functions listed above. Ultimate responsibility and/or duties to be listed in the staff person job description as well.

Please send to us updated job descriptions and corresponding designations/roles for each staff member.

Planned Completion Date  
08/11/17

Planned completion date  
04/28/17

Company Action Plan Update  
October 15, 2018

Responsible management assigned, see signed job descriptions.

- Aniruddha Chowdhury, (General Manager),
- Depunshu Das Gupta (Sr. Executive HR & Compliance)
- Chitra Sen Gupta (Sr. Executive HR)

## FINDING NO.4

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Review Process (Macro)

##### Finding Explanation

1. The factory has not defined in writing a review period for the policies and procedures for any of the Employment Functions. It has not reviewed the Compensation or Hours of Work policies and procedures since they were created in March 2014. The remaining policies and procedures have either been reviewed or created in the last 12 months.

2. The factory has not updated the policies on either Workplace Conduct & Discipline or Environmental Protection according to local laws, regulations, and FLA Code requirements.

3. All policies are signed by Senior Executive (who manages HR & Compliance), but not by top management, the General Manager of the

factory.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Sustainable Improvement Required:

The factory must identify the management person/team who/that:

1) will implement a formal (according to a written plan and schedule) regular and documented review process for the Employment Functions and other related policies, procedures and their implementation in a consultative (documented review of related documents, functional issues with current processes and proposed changes, with identified workers (names, id numbers, signatures/dates on an attendance sheet/in meeting minutes) manner; 2) to amend and update them including, but not limited to , those concerning Workplace Conduct & Discipline or Environmental Protection, periodically if, and when, warranted and 3) ;

2) will enter into a formal written engagement with local legal counsel to periodically (no less that quarterly and promptly, as warranted, by the issuance of new, changes in, important laws, rules, regulations, decrees, etc.) brief the factory/guide them in implementing necessary functional/operational changes and revisions of related policies and/or procedures and according to changes in local law, regulations/FLA code and in response to internal/external audit results.

3) develop and effectively implement a policy and procedure that ensures that all policies and procedures are reviewed and signed by top management, including, the General Manager of the factory.

Planned Completion Date

08/11/17

#### Planned completion date

04/28/17

#### Company Action Plan Update

October 15, 2018

1. Review process: RSB has implemented policy committee for review the all policy and procedure.
2. All policy and procedure reviewed with in a fixed period.
3. All policy and procedure signed by the Managing Director and executive.

## FINDING NO.5

## SUSTAINABLE IMPROVEMENT REQUIRED

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

#### Finding Explanation

1. The factory conducts skill tests for machine operators before they are hired and keeps these results in a separate file, rather than in workers' personnel files.

2. The factory currently conducts monthly performance reviews for workers in the Cutting and Sewing department, including those in their probationary period, but not for workers from other departments.

3. The factory's written agreement with the caterer does not include the FLA Workplace Code, except for defining a minimum working age of 18 years.

4. Promotions are not based on workers' job performance or are done in a fair and transparent way. Supervisors in the production department verbally communicate to the HR department a list of workers who are recommended for promotion.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.3.1, ER.11, ER.29, and ER.30; Nondiscrimination Benchmark ND.2)

## COMPANY ACTION PLANS



## Action Plan no 1.

### Description

Sustainable Improvement Required:

The factory must identify the top manager and/or team who/that will:

1. Set an effective documentation filing system and written procedures to ensure: a) There is consistent and proper documentation control of workers' personnel files; b) all skill test results conducted for all machine operators before they are hired must be kept in the workers' on site personnel files.
2. Develop/enhance Personnel Development (performance management) policy and procedures that include the completion of documented, fair and transparent written performance reviews for all workers (direct/indirect) that: a) outline review steps and process, b) demonstrate linkages to job grading, c) prohibit discrimination, d) are provided in writing and seek feedback and agreement/disagreement from employees in writing, e) and that follow all local legal requirements and f) occur monthly, for all workers in all departments, not just those in the Sewing and Cutting Departments;
3. Facilitate communication with and active participation from workers on the development of the policies and procedures, continuous training to broaden worker skills, and develop a mechanism for workers to express their views and opinions on Personnel Development.
4. Facilitate ongoing evaluations and revisions of policies and procedures.
5. Provide continuous training for all workers, supervisors, and managerial staff on the new policies and procedures.
6. Include information on the new Personnel Development (performance management) policies and procedures during worker orientation or induction process.
7. Designate staff or someone responsible for policy/procedure enforcement and/or implementation.
8. The factory's written agreement with the caterer must include defining the compliance with: a) Local regulations; b) Under Armour/FLA Codes and compliance benchmark most current requirements for the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Workplace Conduct and Discipline, and Grievance System.
9. The factory's written agreement with the caterer must be amended, and re-executed, by both the factory and the caterer, to specifically reflect, and to require compliance by the Caterer and all related personnel with the FLA Workplace Code of Conduct and Benchmarks; the Under Armour Supplier Code of Conduct and all applicable laws

Planned Completion Date

06/10/17

### Planned completion date

04/28/17

### Company Action Plan Update

October 15, 2018

1. In progress: Effective documentation: all documentations, those are belong to worker, must keep in their personal file.
2. In progress: Personal Development Procedures: RSB Included monthly performance reviews for all workers in the SOP of personal development.
3. In progress: Written agreement with caterer: RSB added the all requirements in the agreement, those are essential for defining the compliance
4. In progress: Workers participants: a) RSB engaged the President of the WWA in the policy committee. b) RSB giving the continuous training to upgrade the skill of the workers. c) RSB takes the signature and opinion at the time of KPI. RSB provide training to the workers, staff and management on new policies and procedure. Personal development policies and procedure include in the slide of the new workers orientation.

## Action Plan no 2.

### Description

10. The factory is to revise employee's performance evaluation system must from now ensure:

A) All workers promotion are based on workers' job performance or are done in a fair and transparent way; B) To effectively implement the revised employee's performance evaluation system that must include the following objectives: 1) To schedule and dedicate an hour-long meeting once a year to ensure the mutual needs of the employee and organization are being met; 2) conduct performance reviews help supervisors feel more honest in their relationships with their subordinates and feel better about themselves in their supervisory roles; 3) subordinates are assured clear understanding of what's expected from them, their own personal strengths and areas for development and a solid sense of their relationship with their supervisor; 4) avoiding performance issues ultimately decreases morale, decreases credibility of management, decreases the organization's overall effectiveness and wastes more of management's time to do what isn't being done properly.

Planned Completion Date

08/11/17

### Planned completion date

04/28/17

### Company Action Plan Update

October 15, 2018

1. In progress: Effective documentation: all documentations, those are belong to worker, must keep in their personal file.
2. In progress: Personal Development Procedures: RSB Included monthly performance reviews for all workers in the SOP of personal development.
3. In progress: Written agreement with caterer: RSB added the all requirements in the agreement, those are essential for defining the compliance
4. In progress: Workers participants: a) RSB engaged the President of the WWA in the policy committee. b) RSB giving the continuous training to upgrade the skill of the workers. c) RSB takes the signature and opinion at the time of KPI. RSB provide training to the workers, staff and management on new policies and procedure. Personal development policies and procedure include in the slide of the new workers orientation.

## FINDING NO.6

### IMMEDIATE ACTION REQUIRED

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

##### Finding Explanation

1. Performance review sheets are not dated or signed by either the evaluator (from the industrial engineering team) or workers. The factory does not make performance reviews available to workers to review or give feedback.
2. For 12 of the 16 contracted catering workers, the factory has a copy of the workers' national identity cards and bio data but does not maintain the appointment letter (issued by the employment agency) or the provident fund form. For the remaining four catering workers, the factory has no documents on file at all.
3. The service books, which contain information on workers' leaves, are not updated with information on earned leave, as legally required.

##### Local Law or Code Requirement

Bangladesh Labour Act 2006, Section 7; FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.30)

##### Recommendations for Immediate Action

1. Date evaluation result sheets and ensure they are signed by evaluator and worker. Provide workers with the results of their performance reviews and elicit feedback.
2. Maintain copies of employment documents for all outsourced workers.
3. Update service books for all workers with information on earned leave

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Immediate Action Required:

The factory must identify the top manager and/or team who/that will:

- 1) All workers' performance reviewed documentation must be completely filled in including a) having the with evaluation date and b) must be signed by both the i) evaluator (from the industrial engineering team) and ii) each evaluated worker (recommended that a Human Resources Representative also attends the evaluation and dates and signs each evaluation too);
- 2) The completion of documented performance reviews using objective written criteria for all workers (direct/indirect) that: a) outline review steps and process, b) demonstrate linkages to job grading, c) prohibit discrimination, d) are provided in writing and seek feedback and agreement/disagreement from employees in writing, e) and that follow all local legal requirements; c) facilitate communication with and active participation from workers on the development of the policies and procedures, continuous training to broaden worker skills, and develop a mechanism for workers to express their views and opinions on Personnel Development.
- 3) Set an effective documentation filing system and written procedures to ensure: A) There is consistent and proper documentation



control of workers' personnel files; B) all Catering contractor's workers' personnel files all complete and contain copies of all legally required documents including: i) Identity cards; ii) bio data information; iii) employment contract and appointment letter (issued by the employment agency); iv) social and Provident Fund forms; and

4 ) The factory must identify the HR team manager who will draft, create, effectively implement, conduct document training about, and post materials/summaries of a policy and procedure that will ensure that the service books of each/every worker, which contain information of workers' leaves must be promptly, consistently and regularly updated with all required, and sufficiently detailed Earned Leave information (EL) as per legal requirement, including accrued EL (related rates/units), used/taken EL with supporting documentation.

Planned Completion Date

08/11/17

Planned completion date

04/28/17

Company Action Plan Update

October 15, 2018

1. RSB reviewed performance review documents and included all required steps.
2. Personal Development Procedures: RSB added the all said instruction in the SOP of Personal development.
3. Effective documentation filing: RSB keep all employment related documents of the catering workers. Service book: RSB issue service book for each workers and write down the employment related documents in the service book.

## FINDING NO.7

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Compensation

#### Finding Explanation

1. The factory deducts BDT 5 (USD 0.06) per day at work from workers' monthly wages to be used towards canteen meals, irrespective of whether workers eat at the canteen. Furthermore, the factory has not obtained written consent from workers or from the Workers' Welfare Association prior to making this deduction, although it is not a legally mandated deduction and consent is necessary. Information on this deduction is not included in the factory's policy and procedures on Compensation.
2. The factory does not maintain the wage records for the outsourced caterers (16 workers). Although workers confirmed they received at least the minimum wage (according to their work), assessors were unable to verify payments were made.
3. Irrespective of the last day of employment, the factory pays wages for unused leave and social security on the twentieth day of following month. Wages for days worked between the end of the pay period (which is between the first the last day of the month) and the last date of employment are paid after the pay period the following month. For example, if a worker's last day of work is on January 15, the worker will not be paid their terminal wages until February 7, and will not be paid their social security or unused leave until February 20. Per law, wages due need to be paid within seven days of last date of employment; social security and unpaid leave need to be paid within 30 days of the last date of employment.
4. The factory does not record the date of payment on the payment record for terminal dues. Therefore, it cannot be verified if terminal dues are paid in a timely manner.
5. There is a four-day delay in the payment of both instalments (pre- and post-leave) of maternity benefits. The first installment needs to be paid a day prior to leave and the second installment within three days of returning to work or upon receiving intimation of delivery of child.
6. The wages for outsourced security guards are paid between the 10th and 13th day of the month following the pay period instead of within seven days, as required by law. Furthermore, these workers are not provided with pay slips.
7. The pay records of all terminal dues do not include information on the Provident Fund and wages due; since these are paid separately, they are recorded in separate pay sheets.

#### Local Law or Code Requirement

Bangladesh Gazette Extra September 15, 2015, Sections 111 and 112; Bangladesh Labour Act 2006 Sections 47(4) and 123; FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.32; Compensation Benchmarks C.1, C.4, C.11, C.13, and C.15)

#### Recommendations for Immediate Action

1. Make wage deductions for meals based on actual meal consumption. Obtain workers written consent for the deduction. Revise Compensation policy and procedures to include information on meal deductions from workers' salaries.

2. Maintain a copy of the wage records for all outsourced canteen workers. Ensure the service provider distributes wage slips to these workers.
3. Pay all wages within seven days from last date of employment, irrespective of the pay period cycle. Pay all other dues, including social security and unused leave, within 30 days of last day of employment.
4. Record the date of payment on all pay records for terminal dues.
5. Pay maternity benefit payment to workers within the legally defined timelines.
6. Monitor and ensure wages of outsourced security guards are paid within seven days of the end of the pay period and are provided wage slips .
7. Record information on the provident fund and wage calculations for all terminal dues on pay records.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Immediate Action Required:

The factory must identify the management/ team who/that will take necessary corrective action concerning past, incorrect/inaccurate deductions, and practices, including retroactively compensating workers that were deducted, in the past three months, BDT 5 (or USD\$0.06) for canteen meals that were not used/consumed with the corresponding refund consistent with local regulations. The supplemental payment must be clearly and specifically itemized in each affected worker's pay slip and personnel file.

Planned Completion Date

08/11/17

#### Planned completion date

04/28/17

#### Company Action Plan Update

October 15, 2018

1. Open

2. In progress: Documents of the outside canteen workers: RSB keeps all wages related documents of the canteen workers from the service provider.

3. Closed: Terminated workers payment: RSB follow said instruction for pay the termination benefits to the workers

4. Closed: RSB keeps record the date of payment of the terminated workers.

5. Closed: Pre & Post maternity benefit: RSB paid the pre & Post maternity benefits as per local law.

6. Closed: Security Guards payment: Service provider of the Security guard pay the wages with in the 7th day after completion the month. RSB keep all documents for review purpose.

7. In progress Labor voice: RSB has engaged with LaborVoice, in progress to align with overall RSI group strategy.

### Action Plan no 2.

#### Description

Immediate Action Required:

The factory must identify the management/ team who/that will take necessary corrective action concerning past, incorrect/inaccurate deductions, and practices, including retroactively compensating workers that were deducted, in the past three months, BDT 5 (or USD\$0.06) for canteen meals that were not used/consumed with the corresponding refund consistent with local regulations. The supplemental payment must be clearly and specifically itemized in each affected worker's pay slip and personnel file.

Planned Completion Date

08/11/17

#### Planned completion date

04/28/17

#### Company Action Plan Update

October 15, 2018

1. Open

2. In progress: Documents of the outside canteen workers: RSB keeps all wages related documents of the canteen workers from the service provider.
3. Closed: Terminated workers payment: RSB follow said instruction for pay the termination benefits to the workers
4. Closed: RSB keeps record the date of payment of the terminated workers.
5. Closed: Pre & Post maternity benefit: RSB paid the pre & Post maternity benefits as per local law.
6. Closed: Security Guards payment: Service provider of the Security guard pay the wages with in the 7th day after completion the month. RSB keep all documents for review purpose.
7. In progress Labor voice: RSB has engaged with LaborVoice, in progress to align with overall RSI group strategy.

### Action Plan no 3.

#### Description

Sustainable Improvement Required:

The factory must identify the top manager and/or team who/that will ensure to:

- 1) review the compensation policy and procedures to include: a) Information on meal deductions from workers' salaries; b) obtain from each worker his or her written consent requirement for the wage deduction for Canteen Meals, with supporting documentation in each worker's on site personnel file; d) obtain any required consent for Canteen Meal deductions from the Workers' Welfare Association and maintain such documentation on file on site and d) the deductions for meals can only be taken by the factory if it first obtain's required and prior Worker and/or Worker Welfare Association documented consent for the deductions AND the worker actually eats a meal in the Canteen for which there is a corresponding pay deduction (this cannot be an automatic deduction). Update procedures and automated deductions/formulas on the computer system to ensure no deductions are made unless consented by workers and unless actual meals are consumed;
  - 2) maintain on file and on site, and provide upon request, copies of the wage records for all outsourced canteen workers and ensuring the service provider distributes wage slips to those workers;
  - 3) going forward, pay workers: a) all wages due to them/required by law within no more than seven days from their last date of employment, irrespective of the pay period cycle as required by local regulations; b) all other dues, including social security; and c) unused leave(s), within 30 days of last day of employment;
  - 4) record the date of payment on all pay records for terminal dues (termination payouts);
  - 5) going forward, timely pay the Pre and Post maternity benefit to workers within the legally defined timelines. Update benefits policy and procedures to indicate defined Pre and Post Maternity pay timeline and steps;
  - 6) effectively track and monitor, ensuring, all outsourced security guards are: a) paid their wages within no more than seven days of the end of the pay period (not according to payroll run dates/customary pay dates); and b) provided with detailed and itemized wage and pay slips at the time that they are paid;
  - 7) record the payment date and itemized pay information for: a) the Provident fund and b) wage calculations for all Terminal dues (termination payouts) in the terminated workers' final/separation pay records not just in separate related documents.
  - 8) Engage Labor Voices to survey all workers to ensure that the policy, procedural and payment process changes are actually occurring and understood
- Planned Completion Date  
08/11/17

#### Planned completion date

04/28/17

#### Company Action Plan Update

October 15, 2018

1. Open

2. In progress: Documents of the outside canteen workers: RSB keeps all wages related documents of the canteen workers from the service provider.
3. Closed: Terminated workers payment: RSB follow said instruction for pay the termination benefits to the workers
4. Closed: RSB keeps record the date of payment of the terminated workers.
5. Closed: Pre & Post maternity benefit: RSB paid the pre & Post maternity benefits as per local law.
6. Closed: Security Guards payment: Service provider of the Security guard pay the wages with in the 7th day after completion the month. RSB keep all documents for review purpose.
7. In progress Labor voice: RSB has engaged with LaborVoice, in progress to align with overall RSI group strategy.

## FINDING NO.8

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Hours of Work

#### Finding Explanation

1. For the reviewed months – October 2016, May 2016, and January 2016 – time records showed workers worked more than 60 hours per week in the following instances:

- a. In October 2016, 17 out of 25 sampled workers from the sewing section worked 68 hours in the first and second week of the month; two out of seven sampled workers from the quality section worked 60 to 68 hours the first week; two of the two sampled maintenance workers worked 60 to 69 hours the second week; two of the two sampled workers from housekeeping worked 60 to 69 hours the second week.
- b. In the second and third weeks of May 2016, four out of five sampled workers from the cutting section worked 60 to 66 hours, six out of six sampled workers from the sewing section worked 60 to 66 hours, three out of three sampled workers from the quality section worked 60 to 66 hours, and three out of three sampled workers from housekeeping worked 60 to 72 hours. In the second week of the month, four out of five sampled workers from the finishing section worked 60 to 75 hours.

2. For the reviewed months – October 2016, May 2016, and January 2016 – time records showed that workers worked more than 10 hours a day, which violates local overtime laws.

a. In October 2016, the following workers worked 10 to 12 hours a day for eight, non-consecutive days: 17 out of 25 sampled workers from the sewing section, two out of seven sampled workers from the quality section, two out of two sampled maintenance workers, and two out of two sampled workers from housekeeping.

b. In May 2016, the following workers worked 10 to 12 hours a day: four out of five sampled workers from the cutting section worked these hours for six days; six out of six sampled workers from the sewing section worked these hours for eight days; three out of three sampled workers from the quality section worked these hours for nine days; four out of five sampled workers from the finishing section worked these hours for eight days; and three out of three sampled workers from housekeeping worked these hours for 11 days.

#### Local Law or Code Requirement

Bangladesh Factories Law 2006, Sections 100 and 102(2); FLA Workplace Code (Hours of Work Benchmarks HOW.1 and HOW.8)

#### Recommendations for Immediate Action

Ensure workers do not work more than 10 hours a day or 60 hours a week.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

#### Immediate Action Required

The factory must identify the manager and/or team who will be responsible for ensuring that:

1. Workers do not work more than 60 hours per week, consistent with the UA/FLA's Benchmarks;
2. Create and implement work schedules to ensure workers have reasonable and sufficient rest breaks during the day, consistent with applicable regulations;
3. Take necessary corrective action concerning past, incorrect calculations, payments and practices, including retroactively compensating workers that worked on a rest day with appropriate compensation consistent with local regulations. The supplemental payment must be clearly and specifically itemized in each affected worker's pay slip and personnel file.
4. Going forward, provide workers with 24 consecutive hours of rest in every seven-day period;
5. Conduct a documented review of payroll records from the past 12 months to identify any other instances in which workers did not receive at least one rest day in a seven-day period, and retroactively provide those workers with earned compensatory rest days, as applicable.

Planned Completion Date

08/11/17

#### Planned completion date

04/28/17

#### Company Action Plan Update

October 15, 2018

01. In progress: RSB comply with the local law for pay the workers benefits and others.

02. In progress: Compensation policy and Procedure: RSB added the all law requirement on compensation/benefit in the SOP of Payments.

03. In progress: RSB has policy committee for revised policy and procedure

04. In progress: Policy communication: RSB posted the all policy in different places and giving the training to the workers on policy and procedures.

### Action Plan no 2.

## Description

### Sustainable Improvement Required:

The factory must identify the person that will ensure that:

1. The factory shall comply with all applicable laws, regulations and procedures governing the payment of premium rates for work on holidays, rest days, and overtime, including paying the legally defined premium rates for overtime ("OT") and work on holidays or rest days;
2. Update/enhance compensation/benefits policy and procedure in line with local law requirements; including specific references about OT payment and their appropriate rate, and rest day compensation.
3. Train supervisors and other managerial positions about the revised policy and procedures.
4. Communicate through different means to workers in their local language and/or dialects about the revised policy and procedures.
5. conduct documented and regular (daily, weekly and monthly) documented and regular analyses of the factory's hours of work with a view to progressively reducing excessive hours of work; 2) demonstrate and issue a written commitment to reduce overtime and 3) alter its personnel practices to make a documented effort to maintain a level of staffing that is reasonable in view of predictable or continuing fluctuations in business demand. Factory management is to: address its excessive hours issues:
  - a. if established to be necessary, by jointly working with its customers on how to provide better order forecasts;
  - b. Participating in workshops/engaging a consultancy for the factory on how to improve productivity/quality;
  - c. if established to be necessary, by jointly working with its customers to develop clear guidelines on how to extend shipment deadlines in case of contingencies;
  - d. the creation of steps that management must follow if overtime is inevitable (steps for how to communicate with Under Armour's Sourcing and Sustainability teams and other customers);
  - e. clear guidelines on calculating and setting reasonable production targets that will not demand work beyond regular working hours or during breaks; and
  - f. 6) Developing clear guidelines on how and when the factory can use subcontractors (no Subcontractors may be used without meeting established Under Armour requirements) and/or temporary workers to avoid excessive overtime.
- g. Re-evaluate the production planning systems and controls in order to ensure that they match their historically demonstrated production capacity in order to operate within its working hour control policy.
6. Engage Labor Voices to survey Managers and Workers to ensure that operational, policy and procedural changes are actually occurring, are understood and are effective, in achieving Code, Benchmark and legal compliance.

Please send to us supporting documentation for each of the action items identified above.

Planned Completion Date

08/11/17

Planned completion date

04/28/17

Company Action Plan Update

October 15, 2018

01. In progress: RSB comply with the local law for pay the workers benefits and others.

02. In progress: Compensation policy and Procedure: RSB added the all law requirement on compensation/benefit in the SOP of Payments.

03. In progress: RSB has policy committee for revised policy and procedure

04. In progress: Policy communication: RSB posted the all policy in different places and giving the training to the workers on policy and procedures.

## FINDING NO.9

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Industrial Relations

##### Finding Explanation

The signed agreement between the factory and the security service provider is contradictory regarding Freedom of Association. Although Clause 6 on Page 2 states that the "Service provider binds itself to keep its personnel free from all sorts of trade union activities", Clause 21 on Page 4 states that the first party (service provider) respects the right of workers' freedom of association. In practice, the service provider does not restrict workers' freedom of association as attested to by the interviewed guards.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.2)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Sustainable Improvement Required:

The factory must identify the person whom will ensure to seek legal counsel and have them review a revised and then signed agreement between management and the security guard service provider to update/eliminate its current Clause 6 and ensure the contract complies with Bangladesh labor laws, UA/FLA Code of Conduct provisions and Benchmarks and ILO Conventions. Lastly, ensure that security guards are regularly trained on the factory's and the security providers updated (to reflect the amended contract) agreement, labor relations policy and procedure.

Please submit updated service contract and training plans for security guards.

Planned Completion Date  
08/11/17

Planned completion date  
04/28/17

Company Action Plan Update  
October 15, 2018

Security guard contract: RSB change the contract the clause 6 as per Bangladesh labor laws 2006.

## FINDING NO.10

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Workplace Conduct & Discipline

#### Finding Explanation

1. The factory does not have a standard practice for maintaining documentation on discipline. While some warning letters are filed in workers' personnel files, others are filed in a separate HR file. All warning letters filed were regarding production errors.
2. The factory issued a warning letter on May 31, 2016 to a worker in charge of the cutting section for verballing abusing workers. The letter is not signed by management although it is signed by the worker who was issued the warning. After the warning letter was issued, workers have not further complaints regarding the worker in question or other similar incidents.
3. Management does not take follow up action, as legally required, prior to terminating employment in instances of long absenteeism. After a period of long absenteeism (absence from work for 10 or more days without prior authorization), the factory will issue a warning letter. If the worker reports back to work, they are asked to explain their absence. If satisfactory, the worker submits a letter of apology and returns to work. However, if the worker does not report for work again, management does not take any follow up action. Instead, the factory terminates their employment without informing to the worker.
4. The factory does not record or keep documentation on verbal warnings.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER. 2 and ER.27; Harassment or Abuse Benchmark H/A.5)

#### Recommendations for Immediate Action

1. Maintain all documentation regarding disciplinary action in worker's personnel files.
2. Ensure warning letters that are issued to workers are signed by management prior to obtaining signature of workers.
3. Follow all procedures for disciplinary action prior to terminating a worker's employment. Notify workers in writing about termination of employment prior to termination.

## COMPANY ACTION PLANS

### Action Plan no 1.



#### Description

#### Immediate Action Required

The factory must identify the manager and/or team who will be responsible for ensuring to:

- 1) draft a new and clear written procedures explaining the nature of, and ensuring the maintenance of, consistent, timely and complete documentation regarding disciplinary actions in the appropriate worker's personnel files;
- 2) all issued warning letters are signed by management prior to obtaining signature of workers;
- 3) all verbal warnings are immediately reduced to writing and signed by the worker, manager and HR department witness and then kept in each worker's on site personnel file.
- 4) adhere to all disciplinary procedures prior terminating a worker's employment, including sending with proof of sending and receipt, if and when possibly, pre-termination notice to each worker who is to be terminated for excessive absenteeism.
- 5) Engage Labor Voices to conduct documented worker surveys to ensure that no worker abuse is occurring or, if such conduct is alleged, immediate, proper and documented investigation and action is taken and documented

Planned Completion Date

08/11/17

#### Planned completion date

04/28/17

#### Company Action Plan Update

October 15, 2018

1. Closed: Sr. Executive of HR Department is responsible for improving the disciplinary system. All verbal warnings and other related disciplinary documents file up the workers personnel file immediately.
2. In progress: Implemented procedure.
3. In progress: RSB updated the SOP of disciplinary procedure.
4. Closed: Disciplinary related policy and procedure posted in Bangla in the different place of RSB.
5. In progress: Engagement with LaborVoices under discussion currently.

#### Action Plan no 2.

#### Description

#### Sustainable Improvement Required:

The factory must identify the person(s) who will effectively implement the progressive disciplinary system as suggested in the HR Administrative handbook to ensure that all verbal warnings are immediately and consistently documented, signed by the worker and the party administering the warning and that related records are maintained in each worker's on site factory personnel file. Furthermore, responsible person(s) must ensure that the factory's disciplinary system includes and effectively implements new, formal written procedures that include: a) having a third-party witness present if, and when, sanctions are imposed, and b) and an Appeals process. The factory should conduct documented training, and with materials, in Bengali/Bangla and any other applicable dialects and languages, with its managers, Human Resources personnel and workers about each of the revised and or/ new and existing policies and procedures as described in the HR Administrative handbook. The factory should post copies and summaries of the new policies and procedures.

Planned Completion Date

08/11/17

#### Planned completion date

04/28/17

#### Company Action Plan Update

October 15, 2018

1. Closed: Sr. Executive of HR Department is responsible for improving the disciplinary system. All verbal warnings and other related disciplinary documents file up the workers personnel file immediately.
2. In progress: Implemented procedure.
3. In progress: RSB updated the SOP of disciplinary procedure.
4. Closed: Disciplinary related policy and procedure posted in Bangla in the different place of RSB.
5. In progress: Engagement with LaborVoices under discussion currently.

## FINDING NO.11

### SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Grievance System

#### Finding Explanation

The grievance records do not include information on person(s) responsible for addressing the grievance or the time and date of action taken.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.2)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Sustainable Improvement Required:

The factory must identify the person who will develop and effectively implement comprehensive written grievance: 1) policies and 2) procedures. The grievance procedures must include: 1) a means by which its workers can directly and confidentially report grievances to top management/human resource personnel (for example, by using Labor Voices; sending text messages to a dedicated H.R. Supervisor's telephone number; an email message to a dedicated H.R. Department email address; making telephone calls to a dedicated H.R. Department hotline or telephone number) without the knowledge of or involvement by supervisors and free from reprisal, retribution and retaliation, and 2) a grievance register (see attached example), in substance reflecting the date, person responsible for addressing the grievance, and nature of the grievance and the action taken, among other things.

Please also confirm that top management will regularly and confidentially meet with employees without supervisors being involved or present. The factory should conduct documented training related to new procedures, policies with non-retaliation provisions, documented training about the new mechanisms, summary posters about the new mechanisms, and with materials, in Bengali/Bangla and any other applicable dialects and languages, with its managers, Human Resources personnel and workers about each of the policies and procedures. The factory should document actions it subsequently takes in accordance with, and pursuant to these policies and procedures in any affected managers' and workers' on site personnel files.

Measurement, regular review and analysis of, by confidential worker surveys by Labor Voices, the EFFECTIVENESS of grievance procedures and then taking documented action to increase and improve effectiveness if, and as, needed.

Please send to us supporting documentation for each of the action items identified above; including training materials, attendance sheets, photos, etc.

Planned Completion Date

08/11/17

##### Planned completion date

04/28/17

##### Company Action Plan Update

October 15, 2018

1. Closed: Identify person: Sr. Executive (HR & Compliance) responsible for development the policy and procedure. RSB added the said advice in the SOP of the grievance procedure.
2. Closed: Training conducted with the workers regularly on Grievance procedure and policy.
3. In progress RSB has engaged with Labor Voice. In progress to align with RSI overall group strategy regarding LaborVoice

### FINDING NO.12

#### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Environmental Protection

##### Finding Explanation

1. The factory has not installed an exhaust fan in the chemical storage room that is located near the child care room.

2. The factory has not provided a spill response kit in either of the two chemical storage areas.

3. The factory has not provided a secondary container for either a 20 litre container of machine oil stored in the boiler room (under which are oil stains) or for two barrels of engine oil (200 litres each) stored in the oil storage room near the child care room.

4. The factory has not conducted an air emissions test since May 2015, although by law it must be done annually. It has applied to conduct an air emissions test November 2016.

5. The factory does not have an appropriate system to respond to unexpected environmental emergencies such as chemical spills or gas leaks.

#### Local Law or Code Requirement

Bangladesh Labour Law 2006, Section 78; FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1, HSE.4, HSE.5, and HSE.9)

#### Recommendations for Immediate Action

1. Install an exhaust fan in the chemical storage room located near the child care room.
2. Provide spill response kits for each of the two chemical storage areas.
3. Provide secondary containers for the container of machine oil in the boiler room and for the two barrels of engine oil in the oil storage room.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Immediate Action Required:

The Factory must identify the manager and team who will ensure to:

- 1) relocate the childcare room away from close proximity exposure risk to chemical and hazardous substance storage room;
- 2) install effective, local law compliant exhaust ventilation system in the chemical storage room;
- 3) install a secondary containment for the container of machine oil at the boiler room and for the two barrels of engine oil in the oil storage room. The secondary containment should be leak tight and impervious to the chemical it is supposed to contain. Additionally, the containment should be of sufficient volume good practice dictates that the volume of the containment should be 110% of the volume of the largest container or 10% of the combined volume of all containers whichever is larger.
- 4) provide chemical spill response kits for each of the two chemical storage areas. Ensuring that factory has written instructions regarding chemical spills or gas leaks in the emergency plan: a) effectively implement, conduct documented training about, post written summaries in Bengali and in other languages/dialects spoken by workers of, a formal written Chemical Safety Management System must be implemented to meet legal requirements as well as b) draft and effectively implement, conduct documented training about, post summaries in Bengali and in other languages spoken by workers of, a formal written Emergency Response Procedure For Environmental and other Emergencies including Gas Leaks, Chemical Spills/Accidents; c) all personnel protective equipment (PPE) provided to workers must be based on the risks noted in related Material Safety Data Sheets ("MSDS"); d) Provide secondary containers in the case of handling chemical spills and Hazardous waste disposal.
- 5) identify the Manager who will draft, effectively implement, conduct documented training, and post policy and procedural summaries of, a new policy and procedure that will ensure timely scheduling and completion of legally required Annual Air Emissions tests

Planned Completion Date

08/11/17

#### Planned completion date

04/28/17

#### Company Action Plan Update

October 15, 2018

1. In progress: Relocation of child care room in progress
2. Closed: Installed exhaust Van.
3. In progress
  - a. Chemical Safety Management: RSB have the Chemical Management policy and Emergency response policy for improve the chemical management.
  - b. Chemical Management training: RSB conducted the Chemical management training every month.
  - c. PPE: All personal protective equipment available in the work place for ensure safety of the workers
  - d. MSDS: MSDS are available in the place of chemical storage and use area.
  - e. Secondary container: RSB ensure the secondary container for protect the leakages of chemical.
  - f. Eye wash centre: Eye wash centre are available in the chemical handling area.
  - g. MSDS: MSDS are available in the chemical storage area and Chemical use place.
  - h. MSDS Training: RSB conduct the MSDS training as per schedule program.
  - i. MSDS register: RSB maintain the register for the MSDS.
4. In progress, see above
5. In progress Implemented emergency response plan

## Action Plan no 2.

### Description

#### Sustainable Improvement Required:

Factory must identify the manager/and supporting personnel who will (with the assistance of a licensed/credentialed expert/3rd party firm): 1) draft and effectively implement, conduct documented training about, post written summaries in Bengali of, a formal written Chemical Safety Management System must be implemented to meet legal requirements as well as 2) draft and effectively implement, conduct documented training about, post summaries in Chinese, and each of its workers' and managers' primary/native languages, as applicable of, a formal written Emergency Response Procedure For Chemical Spills/Accidents; 2) all personnel protective equipment (PPE) provided to workers must be based on the risks noted in related MSDS; 3) to provide up to date MSDSs at chemical storage and chemical handling areas; 5) The secondary containment should be leak tight and impervious to the chemical it is supposed to contain. Additionally, the containment should be of sufficient volume good practice dictates that the volume of the containment should be 110% of the volume of the largest container or 10% of the combined volume of all containers whichever is larger; 6) install emergency eyewash stations that are operated without the use of hands (see attached example) in, and near, the CHEMICAL STORAGE AREA to ensure that workers have immediate access to this equipment in order to avoid serious eye injury caused by contact with hazardous chemical; 7) Create a simplified chemical or management safety data sheets (CSDS) (MSDS) in local language and posted at area where chemical is being use; 8) to conduct hazard communication by training workers to comprehend the use safety data sheet (CSDS) (MSDS), the appropriate use of PPE to prevent of excessive chemical exposure and ability to act on emergency first aid treatment and 8) HSE team is to implement a chemical register to crosscheck with CSDS MSDS to: a) Quantify the risk of using the chemicals; b) keeping track of new chemical being brought into the factory for use; c) to ensure safe chemical handling and storage; d) to react to chemical spillage and fire; e) to administer of PPE inventory and usage and f) to maintain good housekeeping practice at all chemical storage area to eliminate combustion risk.

Please send us photos of corrective action carried out. All training record, CSDS, MSDS and chemical registers are to be documented and present during assessments.

Planned Completion Date

08/11/17

### Planned completion date

04/28/17

### Company Action Plan Update

October 15, 2018

1. In progress: Relocation of child care room in progress
2. Closed: Installed exhaust Van.
3. In progress
  - a. Chemical Safety Management: RSB have the Chemical Management policy and Emergency response policy for improve the chemical management.
  - b. Chemical Management training: RSB conducted the Chemical management training every month.
  - c. PPE: All personal protective equipment available in the work place for ensure safety of the workers
  - d. MSDS: MSDS are available in the place of chemical storage and use area.
  - e. Secondary container: RSB ensure the secondary container for protect the leakages of chemical.
  - f. Eye wash centre: Eye wash centre are available in the chemical handling area.
  - g. MSDS: MSDS are available in the chemical storage area and Chemical use place.
  - h. MSDS Training: RSB conduct the MSDS training as per schedule program.
  - i. MSDS register: RSB maintain the register for the MSDS.
4. In progress, see above
5. In progress Implemented emergency response plan

## FINDING NO.13

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The factory has not commissioned a fire risk assessment by a third-party expert. HSE.5
2. There were numerous instances in the sewing sections (located on the first and second floors of the production building) where workers were seen sitting back to back or very close to each other while working on machines. This leaves no space to push back chairs, hampering quick and easy evacuation.
3. The emergency light is missing from above the exit in the packing section leading towards the cutting section.
4. The factory has not installed eye wash stations in either the oil storage or oil handling areas.

5. The factory has not posted hazard labels on chemical containers.
6. Although workers are trained on their use, the needle guards are pushed up on approximately 20% of sewing machines, rendering them ineffective.
7. There is no interlock device to ensure that the elevator does not operate unless the safety doors are closed; therefore, the elevator is operational when the safety doors are left open.
8. The factory has not marked the load capacity for the elevator used to carry food to the canteen (which is located on the third floor of the factory).
9. Although the factory provides mechanics with safety shoes and training on their use, they do not use the shoes.
10. The factory does not train workers on proper lifting techniques or provide lifting belts to loading workers.
11. The factory has provided only some workers with adjustable workstations; the checking tables are not adjustable to suit individual workers.
12. Neither the elevator, air compressor, nor boiler are inspected for safe operation.
13. The factory has not posted or displayed safety instructions near the boiler power generator or elevator.

#### Local Law or Code Requirement

Bangladesh Labour Law 2006, Sections 61, 62, 69, and 92; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.6, HSE.7, HSE.8, HSE.9, HSE.13, HSE.14, and HSE.17)

#### Recommendations for Immediate Action

1. Ensure no more than one worker works at each station. If two workers are required to work at a work station, provide adequate space for easy access to walkways.
2. Install emergency light above the exit from the packing section leading towards the cutting section.
3. Provide eye wash stations in the oil storage and oil handling areas.
4. Post hazard labels on chemical containers.
5. Train workers on the proper use and importance of needle guards. Regularly monitor for compliance.
6. Install an interlock device to ensure the elevator is not operational when safety doors are open.
7. Mark the load capacity on the elevator used to carrying food to the canteen.
8. Provide mechanics with safety shoes.
9. Provide loading workers with lifting belts and train on safe lifting techniques.
10. Commission an authorized third party to inspect the elevator, air compressor, and boiler for safe operations.
11. Post safety instructions in the local language near the boiler power generator and elevator.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

The Factory must identify the manager and team who will ensure to:

- 1) commission Fire Risk Assessment by a third-party expert to occur in 30 days and then take, and document, and necessary related corrective actions and operational improvements (Please review FSCAP and FLA Fire Safety competencies and Fire Safety Initiative Materials).
- 2) Relay out workstations position by removing obstructions around the workstations, and ensuring: a) At least one side of every workers' station is entirely open and b) so that each worker has two, clear, safe evacuation passages so that they can safely and rapidly evacuate in case of emergency;

- 3) Install emergency light with a backup battery above the exit from the packing section leading towards the cutting section and ensure: a) Regularly inspect; b) maintain and c) test emergency lights for functionality;
- 4) Install all emergency eyewash stations in the oil storage and oil handling areas that equip with paddle lever;
- 5) Post appropriate hazard labels on chemical containers as per stated in the MSDS and ensuring: a) Workers have unrestricted access (at all times) to all Material Safety Data Sheets in: i) The storage and ii) production areas; b) label all chemical containers appropriately as such with their contents and main hazards.
- 6) All sewing machines must be retrofitted with: a) effective needle guard that will prevent worker's finger from getting close to the point of stitching operation and therefore reducing the risk of finger piercing injury; b) safety eye-shields (for over-locking sewing machine); c) practical and effective needle guard must be fitted to correct type of sewing machines such as: i) Double needle stitching; ii) single needle stitching and ii) computerize stitching.
- 7) All elevator gates in the factory are: a) To be installed with automatic sensors ensuring gates must be closed to allow normal operation of elevator and b) Posted with standard operating procedures to mention the requirement to close all the gates at every floor to operate elevator. Ensure proper safety practices when elevators are being maintained.
- 8) Mark the maximum load capacity on the elevator used to carrying food to the canteen;
- 9) Provide mechanics with appropriate safety shoes that comes with steel toe covered protection;
- 10) Provides lifting belts to all employees lifting heavy materials; a) Documented initial and periodic refresher training to all employees on proper lifting techniques and use of lifting belts; b) Ensuring the training program promotes an ergonomic approach to lifting that includes: i) Consider alternative ways to accomplish the same lifting or handling; ii) Assess the weight of the object before attempting lifting or handling; iii) Ask for assistance if necessary; d) Determine the best way to hold or maneuver the object before lifting the object; iv) During repetitive lifting activities, try to minimize the vertical distance of the lift from origin to destination, and minimize the amount of twisting and bending; v) Use the legs for lifting rather than the back and g) use the feet to turn, rather than twisting the trunk of the body;
- 11) Commission an authorized third party to inspect the elevator, air compressor, and boiler for safe operations;
- 12) Post safety operation instructions in the local language near the boiler power generator and elevator.

Planned Completion Date

08/11/17

Planned completion date

04/28/17

Company Action Plan Update

October 15, 2018

1. Closed: Responsible team member: RSB appointed fire safety officer and Health and safety officer for take care all health and safety issue. RSB set up the factory premises as per guideline of Accord, Alliance & BNBC instruction. and now work with 3rd party Accord, Alliance & BNBC

Below all in progress, factory has addressed but pending supporting documentation:

2. In progress: Seating arrangement: RSB avoid back to back seating arrangement of the workers.
3. Closed: Emergency light with backup battery :
4. In progress Eye Wash station:
5. In progress: Labels on Chemicals:
6. In progress: Use of needle guards addressed.
7. In progress: Safety guards at elevators:
8. In progress Load capacity signs at elevators:
9. In progress: Use of safety shoes: OPEN
10. In progress: Develop ergonomic Program: RSB arrange lifting belt for those are engaged for carry the goods. OPEN: Training material.
11. In progress: Commission of authorized third party to inspect elevator, air compressor and boiler for safe operations:
12. In progress: Safety operations instruction in local language:

## Action Plan no 2.

### Description

Sustainable Improvement Required:

- 1) The factory must identify the team of personnel (identify the team of workers and managers) who will draft and effectively implement written procedures controls (such as frequent daily documented inspections, with identified personnel (workers (who are confidentially elected by their co-workers, and who also members of the factory's fire and health and safety committees) and managers on each shift and in each work area who are assigned this responsibility);
- 2) To ensure at all time to keep clear of obstruction of building ingress and egress layout plan such as: a) evacuation passages; b) aisles; c) exits and d) stairs and staircase lobbies are to be kept clear from obstruction by trolleys, semi completed products and any form of object including by implementing systems and controls such as frequent daily documented inspections in order to comply with applicable laws (see above examples);
- 3) To ensure at all time that the seating arrangement of workers at sewing lines are allocated in the boundary and keep clear of: a) evacuation passages; b) aisles; c) exits.
- 4) To ensure that from now on no emergency exits, fire hydrants, fire extinguishers, fire-fighting and emergency equipment, electricity connection boxes/electrical panels and the areas in front of all such exits, aisles, boxes panels and equipment are blocked (even partially) including by implementing systems and controls such as frequent daily documented inspections in order to comply with applicable laws.



5) Ensure that the workers use the machine guards properly. Train and regularly communicate to workers on proper machine guard's usage a ensure, by drafting, effectively implementing, conducting documented training about, posting full and summary posters of, formal new written policies and procedures that are sufficient to ensure, that from now on; a) There is a hazard communication program for workers to educate the proper use of machine guards and at times the combination use of personal protection equipment to protect from work related injury; b) at each workstation to provide a machine safety checklist for workers to conduct safety check on: i) Sewing machine that proper installed with safety guards for eye protection and finger pierce by needles; c) Factory to assign responsible person to ensure appropriately functioning power equipment/machinery protection and to check equipment regularly (monthly, yearly) by removing all physical hazards to the workers that may arise from exposure to the point of operation on a particular machine or from moving parts on the machine for example: i) compression, cutting or shearing of hands, feet, hair or other body parts can occur; ii) risk of impact to the eyes, face or other body parts that might be caused by flying objects in grinding or buffing operations, wires from wheel brushes, or other tools (e.g. needles in stitching or sewing areas); iii) at each workstation to provide a machine safety checklist for workers to conduct safety check on;

6) Develop ergonomic program shall: a) include a worker training component to ensure workers are aware of proper sitting positions, chair adjustments based on their height, lifting techniques for those with duties that include lifting objects/materials/boxes, etc. regularly; b) Repetitive motion assessment for all job positions that require repetitive; and c) scheduled/documented (morning/afternoon) ergonomic breaks. Lastly, ensure that there is someone responsible for tracking and analyzing illness records that would assist in identifying occupational hazards.

Planned Completion Date  
08/11/17

Planned completion date  
04/28/17

Company Action Plan Update  
October 15, 2018

1. Closed: Responsible team member: RSB appointed fire safety officer and Health and safety officer for take care all health and safety issue. RSB set up the factory premises as per guideline of Accord, Alliance & BNBC instruction. and now work with 3rd party Accord, Alliance & BNBC

Below all in progress, factory has addressed but pending supporting documentation:

2. In progress: Seating arrangement: RSB avoid back to back seating arrangement of the workers.

3. Closed: Emergency light with backup battery :

4. In progress Eye Wash station:

5. In progress: Labels on Chemicals:

6. In progress: Use of needle guards addressed.

7. In progress: Safety guards at elevators:

8. In progress Load capacity signs at elevators:

9. In progress: Use of safety shoes: OPEN

10. In progress: Develop ergonomic Program: RSB arrange lifting belt for those are engaged for carry the goods. OPEN: Training material.

11. In progress: Commission of authorized third party to inspect elevator, air compressor and boiler for safe operations:

12. In progress: Safety operations instruction in local language:

## FINDING NO.14

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The lockout-tagout equipment is not stored in the electrical maintenance room of the factory; instead it is stored in a central electrical room in the adjacent factory which is owned by the same group.

2. The factory has marked car parking areas but not areas of vehicular movement and walking paths inside the factory premises.

3. The factory has not provided any visual management – such as indicators, convex mirrors at the factory's exit gate, or reflectors – to ensure safe driving practices on the premises.

4. Childcare workers do not go through a pre-work screening process, which include medical checks for health conditions that may put children at risk.

5. The underground water tank is not marked as a confined space to warn workers.

6. The factory does not provide a safety rope as part of the rescue equipment for workers entering the underground water tank when cleaning, although it does provide a helmet and a flashlight. The tank is usually cleaned annually and was last cleaned on November 27,

#### Local Law or Code Requirement

Bangladesh Labour Law, 2006, Section 77; Bangladesh Labour Law, 2015, Rule 58; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.6, HSE.14, and HSE.27)

#### Recommendations for Immediate Action

1. Keep lockout-tagout equipment within the maintenance room of the factory.
2. Mark vehicular movement and walking paths inside factory premises.
3. Provide visual management ensure safe driving practices inside the factory.
4. Ensure child care workers go through an appropriate pre-work screening process.
5. Label the underground water tank as a confined space.
6. Provide a safety rope to workers entering underground water tank for cleaning purpose.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

the Factory must identify the manager and team who will ensure to:

- 1) Keep lock out-tag out (LOTO) equipment within the maintenance room of the factory.
- 2) Mark vehicular movement and walking paths inside factory premises.
- 3) Provide visual management ensure safe driving practices inside the factory such as: a) Indicators; b) convex mirrors at the factory's exit gate, or c) reflectors – to ensure safe driving practices on the premises.
- 4) Schedule child care workers to go through an appropriate pre-work screening process.
- 5) Label the underground water tank as a confined space.
- 6) Provide safety equipment such as: a) Safety rope with hardness; b) helmet; c) flashlight and d) gas detection meter to workers entering underground water tank for cleaning purpose. Ensuring there is documented practice training for workers to comprehend the use of safety equipment during normal and emergency situations.

Planned Completion Date

08/11/17

#### Planned completion date

04/28/17

#### Company Action Plan Update

October 15 ,2018

1. LOTO equipment; OPEN
2. Mark vehicular movement: OPEN
3. Visual management to ensure safe driving practices : OPEN
4. Child care worker screening process: OPEN
5. Underground water tank label: OPEN
6. Provision of safety equipment rope: OPEN

### Action Plan no 2.

#### Description

Sustainable Improvement Required:

The factory must identify the person who will develop, conduct documented training about, and effectively implement, a 'Permit-to-Work' system for ensuring following hazardous works are carried out safely in the factory, all workers including contractors must: 1) Seek Safety clearance and 2) application of permit from factory Health, Safety and Environment Department: 3) safely control and monitor all work activities and operations which are required to take place on/in;

- i) hot work
- ii) confined work area
- iii) electrical system
- iv) hazardous chemical handling

v) shutdown of fire protection system

Please send to us supporting documentation for each of the action items identified above; including training materials, attendance sheets, photos, etc.

Planned Completion Date

08/11/17

Planned completion date

04/28/17

Company Action Plan Update

October 15 ,2018

1. LOTO equipment: OPEN
2. Mark vehicular movement: OPEN
3. Visual management to ensure safe driving practices : OPEN
4. Child care worker screening process: OPEN
5. Underground water tank label: OPEN
6. Provision of safety equipment rope: OPEN

## FINDING NO.15

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The canteen facility does not make snacks, fruit, or beverages available to purchase during working hours outside of the lunch break when meals are served, which does not meet all legal requirements.
2. The food handlers in the canteen do not use the appropriate PPE. The three female food handlers refilling rice into service bowls do not use the provided gloves, masks, aprons or hairnets. The six male food handles wear gloves only on one hand and do not use the provided aprons or hairnets.
3. The factory does not provide any personal protective equipment (PPE, e.g., aprons, foot protection, masks) to dishwashers in the canteen.
4. In the canteen, the dishwashers' feet are completely covered by stagnant water from the dishwashing area.
5. Plastic buckets with soap water are placed on the floor near all the plate washing areas where workers collect soap water in small cups and wash their food containers. This soap water spills on the floor posing a risk of slipping.
6. Factory staff inspect the kitchen every day but do not document their observations. One picture taken during one of the visits in September 2016 and October 2016 (out of two pictures taken during those visits), showed the cooks not wearing shirts (possibly due to excessive heat near cooking areas), hair nets, aprons, or nose masks. Cooked food was kept uncovered.
7. The factory does not maintain the health-check records of canteen workers.
8. The canteen does not keep samples of food served.

##### Local Law or Code Requirement

Bangladesh Labour Rules 2015, Rule 87, 88(2), 88(6), and 89; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.7, HSE.19, and HSE.22)

##### Recommendations for Immediate Action

1. Ensure canteen facility is in compliance with legal requirements.
2. Provide food handlers with gloves, masks, aprons, and hairnets and train them on their use. Regularly monitor for compliance.
3. Provide dishwashers in the canteen with PPE (aprons, foot protection, masks) and train them on use. Regularly monitor for compliance.
4. Provide an adequate drainage system for water on the floor of the dishwashing area.
5. Provide alternate arrangements for workers to obtain soap water, such as providing bottles of soap near the sink taps, for

dishwashing.

6. Ensure cooks in the kitchen, use hair nets, aprons, and masks while cooking food. Improve ventilation in the kitchen.

7. Maintain copies of the health check records of canteen workers.

8. Keep samples of food served in the canteen at least 72 hours, as per international standard.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

The Factory must identify the manager and team who will ensure:

- 1) Canteen facility must be in compliance with legal requirements, the facility is to make available: a) Snacks; b) fruit or c) beverages for purchase by workers during working hours outside of the lunch break when meals are served.
- 2) Conduct Job Hazard Assessment to ensure that appropriate Personal Protective Equipment (PPE) is provided and consistently in canteen: A) Ensuring that canteen workers are provided with: i) Anti-slippery boots; 2) hairnet; 3) appropriate masks and 4) gloves. B) Ensuring canteen receive refresher training on the use PPE; C) Post poster for use of appropriate Personal Protective Equipment (PPE).
- 3) To improve the drainage system and ensuring at all times there is no flooding occurrence at the dishwashing area.
- 4) Provide alternate arrangements for workers to obtain soap water, such as providing bottles of soap near the sink taps, for dishwashing.
- 5) The kitchen must install: a) More mechanical ventilator to improve the air circulation by and b) effective local exhaust ventilation systems extract: i) Hot air and ii) steam from the kitchen and out of the Canteen/Kitchen building.
- 6) There is proper documentation control and filing system to maintain copies of the health check records of canteen workers.
- 7) The development/creation and implementation of Food Hygiene procedures, ensuring documented training is conducted to all Canteen and Kitchen workers to keep samples of food served in the canteen at least 72 hours, as per international standard.

Planned Completion Date

08/11/17

#### Planned completion date

04/28/17

#### Company Action Plan Update

October 15, 2018

1. Open: Provision of snacks and drinks by canteen
2. Open: Job Hazard Assessments
3. Closed: Provision of appropriate PPE for canteen staff
4. In progress: Control of drainage system being conducted,
5. Open: Ventilation system:
6. In progress: Procedure on documentation of daily checks under development
7. In progress: Food Hygiene procedures under development

### Action Plan no 2.

#### Description

The factory must identify the person who will develop and effectively implement a system to ensure all Canteen and Food Handling workers are provided the appropriate PPE. Newly created system will ensure to: a) Provide PPE to a particular group of workers in order to achieve effective protection; b) track the usage and timely replacement of PPE through the factory; c) replace damaged PPE and provide new steel gloves for the workers working in the cutting section in UC 1 building; d) ensure, by implementing a documented personal protective equipment ("PPE") use incentive/award/reward system, that its workers: i) are provided the appropriate PPE; e.g. anti-dust respirator, etc. and ii) properly wear/use the PPE including aprons, hairnets and facemasks required by their specific workplace conditions; e) conduct documented training session forcefully emphasizing risks and harms of failing to wear/properly use, PPE and f) post posters, written in the language(s) understood by its workers and managers, in each workplace showing the necessary and proper use of PPE for each worker.

Planned Completion Date

08/11/17

#### Planned completion date

04/28/17

#### Company Action Plan Update

October 15, 2018

1. Open: Provision of snacks and drinks by canteen
2. Open: Job Hazard Assessments
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7. In progress: Food Hygiene procedures under development