



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Hanesbrands
Knights Apparel

COUNTRY: Bangladesh

ASSESSMENT DATE: 12/19/16

ASSESSOR: Insync Global

PRODUCTS: Apparel

NUMBER OF WORKERS: 1565

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. There is a written policy on Recruitment but not for Hiring and Personnel Development. There is no written policy on performance reviews and steps and requirements in the promotion, demotion and reassignment scheme. There is no written procedures on recruitment, hiring and personnel development.
2. There is no written policy on Industrial Relations, including Freedom of Association.
3. There is no written policy or procedures on Termination & Retrenchment; however, there are systems to manage termination. The factory does not have methods for calculating final payouts, in accordance with legal requirements.
4. There is no written policy on Workplace Conduct & Discipline however there are systems to manage Discipline in the workplace. There is no written document defining the requirement to record all warnings and disciplinary actions and filing requirements and procedure for workers to appeal the disciplinary action. Workers are informed verbally of Workplace Conduct and Discipline procedures during orientation.
5. The policy on Hours of Work does not include information on extraordinary business circumstances. There are no written procedures for Hours of Work; however, some documents or systems exist to manage this practice.
6. The policy on Compensation does not include information on loans and advances even though the factory does provide advances. Written procedures define deductions for damages, loans, and advances but does not provide information on calculations of the amounts for deductions and instalments.

Local Law or Code Requirement

FLA Workplace Code of Conduct (Employment Relationship Benchmarks ER.1, ER.19, ER.23, ER.27, ER.28, ER.29, ER.30, ER.31, and ER.32)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We have an existing policy on recruitment and hiring and after the FLA evaluation we have realized that we have the lack of performance review management for employee's development. We are working on it to form a better performance management for our employees future growth.
2. We have Freedom of association policy covering local law except industrial relationship. We will form this policy that will cover both FLA and local labor law.
3. We will make policy for termination & retrenchment. We will follow the local law to calculation payouts.
4. We will improve our existing workplace conduct and disciplinary procedures which will define the requirement to record all warnings and disciplinary actions and filing requirements and procedure for workers to appeal the disciplinary action.

5. We will improve our hours of work policy which will also reflect the extraordinary business circumstances.
6. We will review the policy and improve the policy covering loans and advances and information on calculations of the amounts for deductions and installments.
7. We will review the Environmental policy which will reflect management commitment towards environment protection, environmental impact assessment, steps to implement the policy, procedures how to manage its environmental impacts to its surroundings, procedures that enable workers to raise environmental concerns, procedures for reporting environmental emergencies, or procedures that include protections for workers who allege environmental violations.
8. We will include the information on machine and electrical safety to health & safety policy.
9. We will review our existing policy and make needful improvement
10. We must review the SOPs and update the same. And for which machines do not have SoP will make very shortly.
11. We will prepare guide line for external contractors/service providers regarding safety.

Planned Completion Date

08/18/17

Planned completion date

07/15/17

Company Action Plan Update

Factory has developed recruitment and Hiring policy covering performance reviews and steps requirements in the promotion, demotion and reassignment scheme, adhering action plan for recruitment, hiring and personnel development.

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The policy on Recruitment, Hiring and Personnel Development was created on July 1, 2014 and was last edited on January 2, 2016.
2. The policy on Compensation, Hours of Work, Grievance Handling, Environmental Protection, and Health and Safety was created on July 1, 2014 and edited on June 15, 2015.
3. The factory does not define a regular review period for the policies and procedures of any Employment Function.

Local Law or Code Requirement

FLA Workplace Code of Conduct (Employment Relationship Benchmarks ER.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. & 2. We will review the same considering latest requirements. 3. All policies are to be reviewed after certain period. Planned Completion Date 08/13/17

Planned completion date

07/15/17

Company Action Plan Update

We have developed recruitment and Hiring policy covering performance reviews and steps requirements in the promotion, demotion and reassignment scheme, adhering action plan for recruitment, hiring and personnel development.

06/01/2019 - UPDATE

1-2-3. We have developed scheme whereas all the policies and procedures will be reviewed at least annually and those are continuing.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory has not provided training to supervisors and workers on Recruitment, Hiring & Personnel Development, Industrial Relations, Termination & Retrenchment, or Environmental Protection.
2. The factory has provided specific training on Compensation to 52 out of 70 supervisors and to 492 out of 1651 workers. There is no documented plan to cover the rest of supervisors and workers.
3. The factory has not provided specific training to supervisors and workers on Hours of Work; however, the factory does provide information during orientation and through postings on the notice board.
4. The factory does not provide training on the Workplace Conduct for the relevant HR personnel and administrative staff. So far, specific training on Workplace Conduct has been provided to 52 out of 70 supervisors and 60 out of 1651. There is no documented plan to cover the remaining supervisors and workers.
5. Thus far, the factory has provided specific training on Grievance procedures to 453 out of 1651 workers and 52 out of 70 supervisors; it has also provided workers with some information during the hiring process.
6. The factory does not conduct specific workplace safety training to designated employees with special responsibilities. Training on fire evacuation does not include procedures to evacuate special categories of workers, children from child care room or visitors. The factory has provided 343 out of 1651 workers with training on Health & Safety requirements. No specific plan is in place to train the remaining workers.

Local Law or Code Requirement

FLA Workplace Code of Conduct (Employment Relationship Benchmarks ER.1, ER.15, ER.16, ER.17, ER.26, and ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We are providing training to supervisors/workers on all policies per schedule. 2. We have made schedule program of training for rest of the employees 3. We have included hours of work program to our regular worker training program. 4. We have made scheduled program to conduct training on workplace conduct for the balanced employees. 5. We will complete training on grievance rest of the employees per schedule. 6. Our safety training program is formed per Alliance standard. Therefore we will review our training program and will provide training to the balance employees per schedule. Planned Completion Date 08/31/17

Planned completion date

07/15/17

Company Action Plan Update

1. Training has been provided to the supervisors and workers on recruitment, Hiring and Personnel Development, Industrial Relations, Termination & Retrenchment, or Environment Protection following the requirement.
2. We have developed plan to train rest of our supervisors and workers.
3. We have included the topics Hours of work in the training program while training to the supervisors and workers during the orientation including topics.
4. We have included work place conduct procedure to our existing training content and continuing training on this.
5. We have included grievance procedure to our training calendar and continuing training on this.
6. We have reviewed our existing training program and included fire evacuation procedure including special categories of workers, children from child care room or visitors.

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The factory does not communicate the policies and procedures or their updates on the following Employment Functions: Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Industrial Relations, and Environmental Protection.
2. The factory sometimes communicates workplace rules and regulations and their possible updates to the general workforce.

Local Law or Code Requirement

FLA Workplace Code of Conduct (Employment Relationship Benchmarks ER.1, ER.16, ER.29, ER.30, ER.32)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We will review our policies and shall be communicated through Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Industrial Relations, and Environmental Protection for the better effectiveness. 2. We will increase communication workplace rules and regulations and their possible updates to the general workforce. Planned Completion Date 08/31/17

Planned completion date

07/15/17

Company Action Plan Update

Polices and procedures are updated periodically (at least yearly) and later on communicated among the workers.

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The probation period is three months for unskilled workers, three to six months for skilled workers, and six months for managers and supervisors. The factory does not conduct performance reviews during the probationary period.
2. Performance evaluations are conducted for selected workers from production processes based on verbal recommendations provided by supervisors. There are no defined criteria or any formal process for selecting workers recommended for performance evaluation.
3. Wage increase increments ranging between BDT 200 (USD 2.50) and BDT 400 (USD 5) were provided to 33 out of 780 sewing machine operators on Sept 1, 2016 due to a verbal recommendation from the Assistant General Manager and Production Manager. The HR manager communicated this increase to workers through letters. In addition to the 5% annual wage increase provided to workers who have completed one year of service, some workers were provided additional amounts in wage increases, however there is no information on the criteria for receiving these recommendations. For example, in November 2016, 34 out of 79 sewing machine operators, one out of three workers from the cutting section and eight out of 20 workers from the finishing section were provided additional payments. The additional amounts paid ranged from BDT 10 (USD 0.13) to BDT 100 (USD 1.26). In October 2016, five out of 93 sewing machine operators were provided additional wage increases ranging between BDT 100 (USD 1.26) and BDT 167 (USD 2.10).
4. Workers do not have access to their performance evaluations or the right to provide feedback. They do not sign the evaluation results but are notified of promotions through letters; however, these letters have no issue date of the letter recorded.
5. The appointment letters (written contracts) are issued three days after the actual date of hire, even though the worker's wages are verbally communicated to workers prior to the appointment letters.

Local Law or Code Requirement

FLA Workplace Code of Conduct (Compensation Benchmark C.3; Employment Relationship Benchmarks ER.2, ER.3, ER.29 and ER.30; Nondiscrimination Benchmark ND.2)

Recommendations for Immediate Action

1. Change all existing workers' probation period to three months; sign contracts with new workers with a maximum of probation period of three months.

2. Ensure workers are designated as either staff or workers accurately, based on the nature of the job, so they receive the legally required compensation for overtime hours worked.
3. Define the criteria, including how to evaluate and document to ensure that wage increases are provided in a fair manner to all eligible workers.
4. Ensure evaluation sheets are signed by workers. Record the date on the promotion letters issued to workers.
5. Issue appointment letters to new workers on the day of hiring.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1.Our existing contracts details three months of probation period for all workers. We are forming mechanism to evaluate performance appraisal during the probation period for the probationary employees. 2.We are forming the performance management covering all the facility employees as they should accurately evaluated and compensated per their skill. 3.We will review our wages increment system where increment criteria will be defined. 4.Now on we will take concerned worker's acknowledgement on performance evaluation letter with date. 5.We are issuing appoint letter on hiring date. Planned Completion Date 08/31/17

Planned completion date

07/15/17

Company Action Plan Update

1. Now on we are performing the performance review during the probationary period.
2. Performance evaluations are conducted through defined criteria. f
3. Management will review/ increase wages following Performance review onwards.
4. Now on all of the performance evaluation doc have worker acknowledgement. And for issuing letters office etiquette will be followed.
5. Now on worker have the appointment letter prior to joining the workplace.

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. Information on Industrial Relations, including Freedom of Association, is not included in orientation.
2. There are no written job description for any position when personnel need to be hired. Written job descriptions are provided after recruitment, though requirements are communicated verbally during the recruitment process.
3. The job description for the Health & Safety officer is not signed by the officer to whom responsibility is assigned. The job description of the Environment, Health & Safety officer does not include any information on the Environment. It includes Fire Safety and first aid but no information on the availability of environmental protection. Some information on the environmental responsibilities is provided verbally. The job description is not provided for the person responsible for Freedom of Association and Industrial Relations.
4. Workers are provided with the employee hand book which contains information on basic labor laws, Recruitment, Termination, use of PPE and Fire Safety. It does not include information on benefits, grievance procedures, Workplace Conduct and Discipline and human resource policies.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We will include Information on Industrial Relations, including Freedom of Association on upcoming orientation. 2. We have formed written job description for every position. 3. Sign taken of the HS officer of job description letter. - Job description of environment officer has been updated with environmental protection - job description for the person responsible for Freedom of Association and Industrial Relations has also been formed 4. We will include information on benefits, grievance procedures, Workplace Conduct and Discipline and human resource policies in the upgraded handbook Planned Completion Date 09/20/17

Planned completion date

07/15/17

Company Action Plan Update

1. Information on Industrial Relations, including Freedom of Association, included in orientation program. .
2. Job description have been provided. .
3. Job description signed by HS Officer. Job description for FOA member and IE developed and continuing.
4. Employees hand book have been reviewed following the requirement.

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. When workers purchase items from the grocery store located inside the factory, they are charged through a credit system where the workers sign a list of the goods they purchase. The factory has a written policy which states that items purchased on credit from the grocery store will be deducted from the worker's wages. This policy is posted on the notice board on the ground floor, accessible to all workers. No written consent is taken from individual workers or from worker committees allowing this deduction from wages.
2. Deductions for grocery expenses are reflected on pay records but not on pay slips provided to workers.
3. Four out of five sampled files showed a payment delay of one, five, 11, and 13 days of the maternity benefit. The first installment should be made within three days of the notice being given, the second installment must be paid within three days from date of birth or date of return to work.
4. The payroll is electronic but does not reflect all overtime hours. Only regular hours and overtime up to two hours is reflected on this payroll. The overtime after the first two hours is recorded on a separate sheet called the Extra Overtime Sheet which is signed by workers to acknowledge receipt. This sheet is destroyed post payment the next day.
5. Up to two hours of overtime per day is reflected on time cards and is compensated accurately. However, records for overtime beyond two hours a day was not available for review as these are discarded after payment; therefore it could not be verified if more than two hours of overtime is compensated accurately. Out of 30 sampled workers (13 from the cutting section, six from the loading section, and 11 from the finishing and packing section), 17 revealed during interviews that they had worked more than two hours of overtime on two days in December 2016 (December 6th and 11th) and were compensated the next day at a fixed rate of BDT 30 (USD .37) per hour. The assessor requested supporting documents from management. After initially denying that overtime of more than two hours occurs, management provided Extra Overtime Sheets for December 6th and 11th. Review of these sheets matched workers statement on additional working hours, however, the amounts paid noted on the time sheets were at a higher value than the figures provided by workers. All 17 interviewed workers stated they were compensated at a fixed rate of BDT 30 (USD .37) per hour; however, figures on the Extra Overtime Sheets ranged from BDT 178 (USD 2.22) and BDT 162 (USD 2.0).
6. The factory compensates former workers for unused leave 10 days after the last day of employment.
7. Workers' signatures on the payment receipts for termination dues did not match with the signatures seen on their employment records for two out of five sampled files.
8. Thirty workers operating machines in the sampling section, 11 cutting machine operators, seven maintenance workers, and 15 electricians are designated as staff and not as workers. As a result, they are not compensated for overtime since they are paid a salary ranging between BDT 9,000 (USD 113) – BDT 12,000 (USD 151). Skilled workers in the factory working in other departments are paid BDT 7,500 (USD 94) and are compensated for overtime hours worked. Management stated that workers earning more than BDT 7500 (USD 94) are considered staff, meaning they are paid a higher salary than employees designated as workers, and therefore not compensated for

overtime.

9. Wages for days worked between the last pay period and the date of the last day of employment is paid within 30 days and not within seven days, as required by law.

Local Law or Code Requirement

Bangladesh Labour Act 2006, Section 123; Gazatte of 2015 Section 47, Section 108, Section 123, and Section 125; FLA Workplace Code (Employment Relationship Benchmark ER.2 and ER.23; Compensation Benchmarks C.1, C.5, C.6, C.7, C.11, C.12, C.15, and C.16)

Recommendations for Immediate Action

1. Obtain written consent from individual workers allowing the cost deduction of groceries purchased from the in-house grocery store from their wages.
2. Reflect the deductions for grocery expenses on pay slips provided to individual workers.
3. Pay maternity benefit to workers within legally defined timelines.
4. Maintain records for compensation paid for all overtime hours worked and ensure accurate compensation.
5. Pay all terminal dues, including wages, within seven days from the date of termination of employment, as required by law.
6. Ensure that workers' signatures on pay records for terminal dues match with those on workers' employment documents.
7. Review and ensure that workers from the cutting section, housekeeping workers, loaders and security guards are compensated for overtime hours worked. Even if they are fall in to the "staff" category, ensure that they still receive overtime compensation.
8. Record all hours worked on a single time recording system and maintain one record.
9. Ensure that wages for days worked between the last pay period and the date of the last day of employment is paid within seven days from the date of termination of employment, as required by law.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1.We have the procedure adopted. Now the employee who purchases goods from grocery on credit, sign on slip as a consent of deduction from wages. 2.We will include the grocery expenses in pay slip 3.We will follow the local law. It is Corrected 4.We will record all the overtime works and preserve them for verification 5.Labour law OT rate= Basic salary/208 hoursX2= OT rate per hour. We follow it. We pay BDT 30/= as allowance is paid to loader after 8 hrs of work as per by-letteral agreement. 6.Will ensure that workers' signatures on pay records for terminal dues match with those on workers' employment documents. 7.Will ensure that workers from the cutting section, housekeeping workers, loaders and security guards are compensated for overtime hours worked. Even if they are fall in to the "staff" category, ensure that they still receive overtime compensation. 8.The said worker's wages were fixed in a manner so that including daily 2 hours OT wages they get. Even there is no overtime works they are compensated full amount. 9.We will ensure severance accurately Planned Completion Date 08/01/17

Planned completion date

07/15/17

Company Action Plan Update

1.We have the procedure adopted. Now the employee who purchases goods from grocery on credit, sign on slip as a consent of deduction from wages.

2.We will include the grocery expenses in pay slip

3.We will follow the local law. It is Corrected

4.We will record all the overtime works and preserve them for verification

5.Labour law OT rate= Basic salary/208 hoursX2= OT rate per hour. We follow it. We pay BDT 30/= as allowance is paid to loader after 8 hrs of work as per by-letteral agreement.

6.Will ensure that workers' signatures on pay records for terminal dues match with those on workers' employment documents.

7.Will ensure that workers from the cutting section, housekeeping workers, loaders and security guards are compensated for overtime hours worked. Even if they are fall in to the "staff" category, ensure that they still receive overtime compensation.

8.The said worker's wages were fixed in a manner so that including daily 2 hours OT wages they get. Even there is no overtime works they are compensated full amount.

9.We will ensure severance accurately

04/24/2019 - UPDATE

5. In the past Load designated workers received consolidated amount in lieu of of hourly basis (30 BDT). Issue been corrected since 2017.

Loaders are permanent workers who are paid monthly. Their job is loading and unloading goods and materials.

6. Former workers are those workers who left or were terminated or resigned. as per Law workers are to be paid of all their dues within 30 days of leaving work. Supreme Stitch do make such payment even sometimes before 30 days.

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. Time records reflect regular working hours and overtime hours up to two hours per day. Management denied that workers worked overtime beyond two hours a day. However, based on interviews, it was evident that some workers had worked more than two hours of overtime in December 2016. Management agreed that overtime hours worked after two hours is recorded manually in a sheet called Extra Overtime Hours. This sheet is filled out by the security guards and the hours of work are compensated correctly. These sheets are destroyed after payments are made the next day and there are no records available for review. This practice of concealing actual working hours is conducted to satisfy requirements of some customers.

2. According to the official time records available for review, no worker worked more than 60 hours a week. However, based on information gathered from 30 interviewed workers (13 workers from cutting section, 11 workers from finishing and packing section and 6 workers from loading section), 20 of these workers worked more than 10 hours a day and as much as 14 hours on two days in December 2016 (cutting section on Dec 6, 2016 and others on Dec 11, 2016); these workers worked more than 60 hours a week, and as much as 64 hours. The Extra Overtime Sheet was provided to assessors after some hesitation. These sheets reflected the hours as noted from worker interviews. Management stated that the second set of time records for the previous days were destroyed post payment and were not available for review.

3. The factory does not identify pregnant or lactating women in their time keeping records.

Local Law or Code Requirement

Bangladesh Labour Act 2006, Section 100 and 102; FLA Workplace (Employment Relationship Benchmarks ER.2 and ER.23; Hours of Work Benchmarks HOW.1 and HOW.5)

Recommendations for Immediate Action

1. Maintain records for all overtime hours worked and make available for assessors' review.
2. Ensure workers do not work more than 10 hours a day or 60 hours a week.

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1.Now on we will record all the overtime hours
- 2.We will follow the local labor law and government order regarding the OT hrs.
- 3.Now we are identifying the pregnant or lactating women in the time keeping records.

Planned Completion Date

08/15/17

Planned completion date

07/15/17

Company Action Plan Update

1.Now on we will record all the overtime hours

2. Per Local Labor Law regular working hours are 8 hours and two hours are Overtime hours. Additionally local Govt. have issued notification gazette allowing 4 hours overtime daily to RMG sectors in peak season. Generally workers leave at 8 hours of regular works. Some workers are working more than 2 h/daily ,However company is transparent in keeping the records and all the overtime hours are recorded & paid accurately following local law .

3.Now we are identifying the pregnant or lactating women in the time keeping records.

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. Workplace rules are not included in the employee hand book.

2. Steps for disciplining workers is defined, however, procedures defining the steps are not defined in writing, though in practice procedures are followed.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1.We will include Workplace rules in the handbook. 2.We will make Steps for disciplining worker procedure written Planned Completion Date 08/15/17

Planned completion date

07/15/17

Company Action Plan Update

Employee hand book have been reviewed and added workplace rules.

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The factory's Grievance System does not include a written policy of non-retaliation against workers who make complaints.

2. The factory does not record the responsible persons or date of action taken in the grievance records.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We will review and update the policy 2. We will keep record of responsible person with date. Planned Completion Date 08/15/17

Planned completion date

07/15/17

Company Action Plan Update

Grievance procedures have been updated following the FLA requirement.

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. A shed near the main factory building contained two thousand liters of Diesel stored in 10 barrels, 400 liters of machine oil stored in two barrels, and 2205 liters of silicate solution stored in seven barrels. Secondary containers are not provided for these barrels, and oil leakage marks were seen on the floor near the barrels.
2. Secondary containers provided for the oil containers stored in the Boiler room are inadequate for containing 110% of leakage. Additionally, oil containers should not be stored close to boilers as this can be a fire hazard.
3. The factory does not provide a spill response kit near the oil storage areas in the shed and boiler room.
4. Untreated waste water from the poly pack printing section discharges into a drain near the factory.
5. Electric and electronic waste is stored along with paper waste and plastics waste.
6. The factory has a written agreement with three waste disposal service providers; however, these service providers do not have authorization certificates.
7. Factory does not have an appropriate system to respond to unexpected environmental emergency such as chemical spills or gas leak.
8. There is no statement by the factory management for general support of energy and water efficiency, or a commitment to minimize impacts with respect to air emissions, waste, hazardous materials and other applicable environmental risks.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.4, HSE.5, and HSE.9)

Recommendations for Immediate Action

1. Provide secondary containers of adequate capacity to contain leaks from primary containers.
2. Provide spill response kits in the chemical storage areas (tin shed and boiler room).
3. Ensure untreated waste water from the poly pack printing section is not discharged into open drains.
4. Segregate and separately store all electrical and electronic waste from paper and plastic waste.
5. Ensure that the waste collectors have authorization certificates from government authorities.
6. Introduce procedures to respond to any unexpected environmental emergency such as chemical spills or gas leak.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We have built the mentioned shed in manner so that if any chemical drum is spilled the floor is sloped at one side and there is RCC built house where the spilled amount could be stored. So we did not provide individual secondary containment to the chemical drums.
 2. We have corrected.
 3. We have provided it.
 4. We have segregated the Untreated waste water from the poly pack printing section separately
 5. Now are segregating the wastes per category
 6. Those suppliers have provided us the trade license and other necessary documents as legally required.
 7. We are conducting the chemicals spill response, fire drill and all related training to face the emergency situation.
 8. Our management has given formal and written statement on energy and water efficiency to minimize the impact of environment.
- Planned Completion Date

Planned completion date

07/15/17

Company Action Plan Update

- 1.We have the built the mentioned shed in manner so that if any chemical drum is spilled the floor is sloppy at one side and there is RCC built house where the spilled amount could be stored. So we did not provide individual secondary containment to the chemical drums.
- 2.We have corrected.
- 3.We have provided it.
- 4.We have segregated the Untreated waste water from the poly pack printing section separately
- 5.Now are segregating the wastes per category
- 6.Those suppliers have provided us the trade license and other necessary documents as legally required.
- 7.We are conducting the chemicals spill response, fire drill and all related training to face the emergency situation.
- 8.Our management has given formal and written statement on energy and water efficiency to minimize the impact of environment.

FINDING NO.12**IMMEDIATE ACTION REQUIRED****FINDING TYPE: Health & Safety**Finding Explanation

1. One fire extinguisher is provided in the oil storage shed where the diesel, machine oil and silicate solution is stored.
2. Escape ladders from additional exits that are installed vertically on the exterior walls of the factory building do not have any hand rails or safety cages to prevent workers from falling from heights during an evacuation.
3. The factory does not provide adequate equipment to fight fires. It has only provided 68 helmets, 68 hand gloves, 68 gum boots, and four safety belts for use by 400 fire fighters and 41 emergency response team members.
4. The factory has not trained workers who have specific, additional responsibilities during an emergency so they can effectively execute their responsibilities.
5. The factory has only designated one assembly area for all workers in front of the factory building, which is inadequate to accommodate 100% of workers.
6. The factory has not installed emergency lights in the following areas: above the only exit from the grocery store; the second exit from work areas in the Supreme Accessories (ground floor); above exit door numbers 107, 108, 301, 305, 306, 402, 403, 404, 501, 502, 505, and 606; and the exit leading from the finishing department to the sewing section on the second floor.
7. All evacuation route markings in all work areas are faded and unclear.
8. In the pictures filed with the logs for fire drills conducted on December 4, November 5, October 8, and September 4, 2016 workers wore the same clothes during all four drills. It appears that copies of the pictures taken during one drill are filed for all four dates.
9. The evacuation exit from the rear end of the knitting section is blocked by a knitting machine.
10. The factory has not commissioned a third-party expert to conduct a fire risk assessment.

Local Law or Code Requirement

Bangladesh Labour Act 2006 sections 73; FLA Workplace Code of Conduct (Employment Relationship Benchmark ER.2; Health, Safety and Environment Benchmarks HSE.1, HSE.2, HSE.6, HSE.9, HSE.10, and HSE.14)

Recommendations for Immediate Action

1. Provide additional extinguishers in the oil storage area.
2. Install hand rails and safety cages on the vertically installed escape ladders on the exterior walls of the factory building.
3. Provide additional equipment, including helmets, hand gloves, and shoes to firefighters.
4. Designate additional assembly areas to accommodate all workers during an evacuation.
5. Install emergency lights in the following areas: above the only exit from the grocery store; the second exit from work areas in the Supreme Accessories (ground floor); above exit door numbers 107, 108, 301, 305, 306, 402, 403, 404, 501, 502, 505, and 606; and the exit leading from the finishing department to the sewing section on the second floor.
6. Remark evacuation routes in all work areas.
7. Take pictures during every evacuation drill and filed with with the log the the corresponding drill.
8. Keep evacuation routes clear at all times. Regularly monitor for compliance.

COMPANY ACTION PLANS**Action Plan no 1.**Description

- 1.We have provided additional fire extinguisher per standard.
 - 2.We will provide hand rails and safety cages.
 - 3.We have provided sufficient fire equipment & fire safety belt.
 - 4.We have given training to the worker who's are specially assigned for safety matters. Also added assembly areas.
 - 5.We have increased assembly areas recently.
 - 6.We have installed sufficient emergency lights for the areas.
 - 7.Evacuation route markings in all work areas have been retouched.
 - 8.We do conduct fire drill regularly.
 - 9.Block removed
 - 10.Fire risk has been evaluating by ACCORD and Alliance from various methods.
- Planned Completion Date
07/20/17

Planned completion date

07/15/17

Company Action Plan Update

- 1.We have provided additional fire extinguisher per standard.
- 2.We will provide hand rails and safety cages.
- 3.We have provided sufficient fire equipment & fire safety belt.
- 4.We have given training to the worker who's are specially assigned for safety matters. Also added assembly areas.
- 5.We have increased assembly areas recently.
- 6.We have installed sufficient emergency lights for the areas.
- 7.Evacuation route markings in all work areas have been retouched.
- 8.We do conduct fire drill regularly.
- 9.Block removed
- 10.Fire risk has been evaluating by ACCORD and Alliance from various methods.

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Lifting belts are not provided to loading workers and workers are not trained in proper lifting techniques.
2. The factory does not provide adjustable chairs with back rests to sitting workers; workers sit on wooden stools.
3. Sewing machines are adjustable in height; however, the checking tables, heat seal machine tables, ironing tables, and shearing machines are not adjustable in height to suit the individual height of workers.
4. Electricians working at heights do not use helmets.
5. Food servers do not using gloves, masks, or hairnets while serving food to office staff.
6. External construction workers do not use safety shoes to protect them from irons rods or from potential falling heavy iron bars.

Local Law or Code Requirement

Bangladesh Labour Act 2006 Sections 92; FLA Workplace Code of Conduct (Health, Safety and Environment Benchmarks HSE.1, HSE.7, HSE.8, HSE.14, HSE.17, and HSE.22)

Recommendations for Immediate Action

1. Provide lifting belts to loaders. Train loaders on how to use the lifting belts.
2. Train electricians to use helmets when working at heights. Regularly monitor for compliance.
3. Provide food servers with gloves, masks, and hair nets while serving food to office staff. Regularly monitor for compliance.
4. Provide external construction workers with safety shoes. Regularly monitor for compliance.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Health and Safety-Implementation (Health and Safety) Details 1.The workers are now trained and belt provided. 2.Our management have the plan to make the chair with back rest for workers interest. 3.Our management have the plan to make all the machines with adjustable according to the job nature for workers interest. 4.External contractors are now using helmets. 5.We will provide food servers necessary PPE 6.They are wearing PPE Planned Completion Date 08/31/17

Planned completion date

07/15/17

Company Action Plan Update

1.The workers are now trained and belt provided. 2. Management will pay high attention to this and will gradually replace with adjustable chairs. 3.Our management have the plan to make all the machines with adjustable according to the job nature for workers interest. 4.External contractors are now using helmets. 5.We will provide food servers necessary PPE 6.They are wearing PPE

08/27/2019 - UPDATE

all of our sewing machines are "height adjustable" so the workers can work comfort with machines. But Since FLA requires to provide adjustable chairs with back rests to sitting workers, management will pay high attention to this and will gradually replace with adjustable chairs.

We have plan as below:

2019200 pcs

2020.....300 pcs

2021.....500 pcs.

FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The MSDS was available for machine oil but not for diesel.
2. Oil containers are labeled for content but not for hazards.
3. Safety instructions are posted near 50% of ironing machines but are not posted near heat sealing machines, boilers, metal detector machines, fabric inspection machines, or fire pumps.
4. The factory does not conduct risk assessments for diesel, machine oil, silicate, or stain removing chemicals used in the factory.
5. The covered manhole openings in the knitting section, under which is the underground water tank, are not marked to warn workers.
6. An eye wash station is provided in the stain removing area but not in the oil storage and handling area.

Local Law or Code Requirement

Bangladesh Labour Act 2006 sections 73; FLA Workplace Code of Conduct (Employment Relationship Benchmark ER.2; Health, Safety and Environment Benchmarks HSE.1, HSE.2, HSE.6, HSE.9, HSE.10, and HSE.14)

Recommendations for Immediate Action

1. Post MSDS for diesel. This should be in the local language.
2. Post hazard labels on oil containers.
3. Post safety instructions, in the local language, near heat sealing machines, boilers, metal detector machines, fabric inspection machines, and fire pumps.
4. Conduct risk assessment for diesel, machine oil, silicate and the stain removing chemicals used in the factory.
5. Post warning signs near the covered manhole opening in the knitting section under which the underground water tank is located.
6. Provide eye wash station in oil storage and handling area.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1.MSDS of diesel available 2.Containers are labeled with hazardous. 3.Posted Safety instructions to all other machines. 4.We are conducting risk assessment for diesel , Machine oil etc. 5.Now it is marked well. 6.We will install eye wash station in oil storage area. Planned Completion Date 08/31/17

Planned completion date

07/15/17

Company Action Plan Update

1-2. MSDS for diesel have been posted with hazards.

3. Safety instructions are posted for Iron machines, heat seal, boilers, metal detectors, fabric inspection machines and fire pumps.

4. Risk assessment have been conducted for diesel, machine oil, silicate, stain removing chemicals.

5. Manhole cover have been marked.

FINDING NO.15

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Out of 15 electricians, four hold valid qualification certificates and 11 have been trained in-house and do not hold any technical qualification certificate.
2. The factory does not provide any safety information to external contractors used for construction or maintenance work.
3. Currently the childcare facility room is being used to store construction equipment. There are currently no children at the facility.
4. Health checks are not conducted for food servers.

Local Law or Code Requirement

Bangladesh Labour Act 2006, Sections 94; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.2, and HSE.27)

Recommendations for Immediate Action

1. Ensure qualified electricians are allowed to carry out maintenance work.
2. Provide safety information to external contractors used for construction or maintenance work.
3. Maintain child care room as required by law should any worker wish to use the same.
4. Conduct health check for food servers.

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1.Our 4 certified electricians do the main electrical jobs and other electricians are helping them.
- 2.We have provided safety information and relative guidance to the external contractors.
- 3.One childcare room was temporarily engaged to store construction materials. Now the construction works is over and the child care room is always ready to use.
- 4.We will perform health checks for the food servers

Planned Completion Date

08/31/17

Planned completion date

07/15/17

Company Action Plan Update

- 1.Our 4 certified electricians do the main electrical jobs and other electricians are helping them. All our electricians have the competency certificate.

2. We have provided safety information and relative guidance to the external contractors.
3. One childcare room was temporarily engaged to store construction materials. Now the construction works is over and the childcare room is always ready to use.
4. We will perform health checks for the food servers

FINDING NO.16

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has not properly implemented a lockout-tagout procedure by locking out equipment when the equipment is undergoing maintenance work.
2. The factory has not marked traffic lanes and walking paths inside the factory nor does it provide any visual management such as indicators, convex mirrors at blind ends or reflectors to ensure safe driving practices.
3. The factory has not installed convex mirrors in the corners of the rear staircase of the building to prevent workers from colliding when walking on the staircase.
4. The single stand ladders used for climbing the watchtowers in the factory premises do not have handrails or safety arrangements to prevent sliding or shifting while in use. Double stand ladders used by the maintenance team do not have locking facilities for stands to prevent folding. The leg of one of the ladders being used was damaged (partially bent).
5. An excessive amount of lint has accumulated on electrical equipment, power plugs, and sockets in the knitting section and could be a fire risk.
6. The factory stores an excessive amount of waste material (cartons and yarn) in a shed which could be a fire risk. There have been no passages created to reach the rear end of the storage area.
7. In the sewing section, some helpers are working at the same work station as sewing operators which results in congestion. There are a few instances where workers were seen working while sitting back to back. There is no space for them to push back their stools in case of an evacuation.
8. Except for biscuits no other food is available in the factory canteen. During the lunch break on the first day of the factory tour, and prior to lunch on the second day of the factory tour, the canteen was closed. Workers bring food from home and eat in the dining areas provided inside the factory. Food for office staff is not cooked inside the factory as cooking inside the factory premises is not permitted by some customers due to risk of fire. Food is cooked in an employee's house by a cook and brought to the factory and served to office staff.
9. A mechanical elevator is used to carry construction material and other goods to the terrace. The load capacity and intent of use is not marked. The elevator has not been inspected for safe operations.

Local Law or Code Requirement

Bangladesh Labour Act 2006, Sections 69; FLA Workplace Code of Conduct (Health, Safety, and Environment Benchmarks HSE.1, HSE.5, HSE.6, HSE.13, HSE.14, HSE.19, and HSE.22)

Recommendations for Immediate Action

1. Mark traffic lanes and walking paths inside the factory.
2. Provide indicators, convex mirrors at blind ends and reflectors to ensure safe driving practices inside factory premises.
3. Clean and maintain electrical equipment.
4. Implement a lockout-tagout procedure.
5. Install handrails on single stand ladders and safety arrangement.
6. Install a locking device on the double stand ladders used by the maintenance team to prevent folding. Ensure damaged ladders are not used.
7. Dispose of excessive waste material (cartons and yarn) in regular intervals. Maintain clear passages between rows of stored material.
8. Install convex mirrors in the corners of the rear staircase of the building.
9. Ensure there is adequate space in all work areas for easy movement and evacuation of workers.
10. Provide a canteen facility for workers, as required by law.
11. Mark the load capacity and intent of use on the elevator. Conduct a safety inspection for the elevator.

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1.We are now maintaining the procedure.
 - 2.We have the plan to manage it.
 - 3.We have the plan to install same.
 - 4.Corrected
 - 5.Cleaned & corrected.
 - 6.Excessive material removed.
 - 7.Corrected
 - 8.On word all light food will be available in the canteen.
 - 9.We will consult with the expert, shall mark load limit and perform inspection of the machine for the safety
- Planned Completion Date
09/30/17

Planned completion date

07/15/17

Company Action Plan Update

- 1.We are now maintaining the lockout tagout procedure.
2. We have security guards posted at key points. When any vehicle enters or exit security guards control the access and exit.
3. We have installed convex mirror to the rear staircases.
- 4.Hand rail have been installed to the climbing ladder for the safety.
5. We have a scheduled cleaning process schedule in place and ensuring that all our premises remain safe at all times. Attached picture next column as ref.
- 6.We have demolished the store and nothing kept there.
7. We have re-organized the sewing lines so the worker may work much comfortably.
8. We have a scheduled plan for opening the canteen so workers may buy some food when needed.
- 9.We will consult with the expert, shall mark load limit and perform inspection of the machine for the safety

FINDING NO.17

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. The factory has a Worker Participation Committee which is a legally required joint worker-management committee. The Committee is comprised of elected worker representatives and nominated management representatives.
2. No training is provided to workers on the functioning of the committee; however, the factory does provide some information during the hiring process and through postings on the notice board.

Local Law or Code Requirement

FLA Workplace Code of Conduct (Employment Relationship Benchmarks ER.15, ER.25, and ER.26; Freedom of Association Benchmarks FOA.10 and FOA.11)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. & 2. We will provided training to the member of the committee. Planned Completion Date 09/30/17

Planned completion date

07/15/17

Company Action Plan Update

We have provided training to our workers on Participation Committee.

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

7. The policy on Environmental Protection focuses on providing a good work environment for workers and does not indicate the factory's policy on protecting the environment. There are no written procedures for managing environmental impact within the factory however the written policy includes the requirement to store chemical safely, provision of first aid trained staff, effects of using hazardous chemicals, provision of MSDS, requirement to conduct risk assessments, chemical storage, use of PPE, and housekeeping standards. However, there are no written procedures on steps to implement the policy. The factory does not have any written procedures for managing its environmental impact to its surroundings, procedures that enable workers to raise environmental concerns, procedures for reporting environmental emergencies, or procedures that include protections for workers who allege environmental violations.

8. Written policy on Health & Safety does not include information on machine and electrical safety.

9. Written procedures do not include measures to protect the reproductive health of employees through minimizing exposure to workplace hazards, how workers can raise health and safety concerns, protection against retaliation for workers who raise health and safety concerns, steps for ensuring that walkways/aisles and emergency exits are free from obstruction, location of emergency assembly areas, steps on how to ensure that all personnel, visitors, contractors, service providers safely evacuated, steps on how to ensure that all special categories of workers and children in childcare facilities safely evacuated, material safety data sheets (MSDS) of the chemicals in use, 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, electrical certifications, inspections, assessments and reviews (overall electrical system, grounding system, lightning protection system), a list of confined spaces that require work permits, precautions people must take prior to, or during entry and stay in each confined space, a list of equipment and/or machines that require lockout-tagout, a list of the employees (names and/or titles) responsible for managing fire equipment, employees' duties regarding fire response, evacuation procedures and plans, what employees should do in case of injury, phone numbers for medical assistance, steps for reporting death, injury, illness, and other health and safety issues.

10. Safe operating procedures are available for iron machines, sewing machines and heat seal machines but they do not cover the safety aspects pertaining to electric shock and overheating of motors. Written SOPs are not available for metal detection machines, fabric inspection machines, boilers, power generators and air compressors.

11. Factory does not have any guidance documents for external contractors/service providers concerning health and safety.

Local Law or Code Requirement

FLA Workplace Code of Conduct (Employment Relationship Benchmarks ER.1, ER.19, ER.23, ER.27, ER.28, ER.29, ER.30, ER.31, and ER.32)