



FAIR LABOR  
ASSOCIATION<sup>®</sup>

## INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Liz Fashion Industry Ltd.

COUNTRY: Bangladesh

ASSESSMENT DATE: 10/30/16

ASSESSOR: Insync Global

PRODUCTS: Apparel

NUMBER OF WORKERS: 6000

### FLA Comments

Liz Fashion ceased affiliation with FLA at the beginning of 2018. This occurred prior to the company submitting a remediation plan for this report; therefore, the company will not be reporting to FLA on their remediation of the issues identified in this report.

## 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: Communication & Worker Involvement (Macro)

##### Finding Explanation

There is no worker or union involvement in the development of policies and procedures for any of the Employment Functions.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship ER.25)

##### Root Causes

1. The policies and procedures are prepared and updated by management as a general company practice.
2. Worker representatives have not received any training nor do they have any knowledge on the basics of policy and procedure development.
3. Management did not know of such a need as it is not a legal requirement.

##### FLA's Recommendations for Sustainable Improvements

1. Consult with company headquarters for a revision on existing policy and procedure development and the inclusion of worker representatives in this process.
2. Provide training to worker representatives and teach them the basic concepts on policies and procedures like their definition, coverage, content, and regular review.

### FINDING NO.2

#### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Hours of Work

##### Finding Explanation

1. The total number of hours worked per week exceeded 60 hours on several occasions. In the months of March, June, and September 2016, 70% of workers in the cutting, printing, and sewing sections worked an average of 76 hours per week, with a maximum of 91 hours. Seventy-five percent (75%) of workers in the finishing section worked an average 78 hours per week, with a maximum of 93 hours (including work during the rest day). The maximum working hours in a day was 18 hours.
2. In several cases, the factory did not provide one day (24 consecutive hours) of rest for every seven-day period. In the months of March, June, and September 2016, 70% of workers in the cutting, printing and sewing sections worked through one to two of their weekly rest days. Seventy-five percent (75%) of workers in the finishing section worked through two to three of their weekly rest days. This

resulted in workers in the finishing section working up to 20 continuous days (February 28th, 2016 to March 18th, 2016) without a rest day. Furthermore, according to local law, working on a weekly rest day is considered overtime, for which workers are entitled to a substitute day off within three working days, which the factory did not provide.

3. The factory's current time keeping software does not identify pregnant or lactating workers in order to ensure protections concerning working hours.

#### Local Law or Code Requirement

Bangladesh Labor Act 2006, Section 102 and 103; FLA Workplace Code (Employment Relationship Benchmark ER.24; Hours of Work Benchmarks HOW.1, HOW.2, HOW.5, and HOW.8)

#### Root Causes

1. Although there is a big HR and Compliance team in place, the head of this team reports to the Merchandising Manager but not the Managing Director.
2. Workers rely heavily on extra income that they generate with overtime work.
3. There is no productivity incentive system in place for increasing production output while increasing the workers' income at the same time.
4. Although upper level managerial staff are knowledgeable on the FLA Code and Benchmark requirements, that is not the case for mid-level managerial staff, supervisors, or workers. Furthermore, the factory's code of conduct is not posted anywhere within the factory.
5. The compliance team does not currently have a say on overtime work approval or the overtime decision making process.
6. According to data provided by management from the last 12 months, there are the following issues:
  1. Total number of overtime hours worked within the last 12 months accounts to almost 50% of the regular hours worked
  2. Overtime work provided an increased workers' income by 45%, with an average of 35% extra income on average
  3. Worker turnover increases when there is a drop on overtime work as workers prefer to go other factories with more overtime work
  4. Power outage, absenteeism and reworks due to quality problems accounts for almost 25% of the total overtime hours worked.
  5. Cutting and finishing departments perform more overtime than other departments
  6. Absenteeism is a bigger problem in the sewing, cutting, quality control and printing quality control departments.
  7. A breakdown of quality issues identified on finished products provided by QC team revealed that almost 2% of the quality issues are about uncut thread while another 1% is about stitching quality related issues.
  8. Most of these issues have not been identified during previous internal or external audits
  9. Although the factory does have a system in place to keep track of reasons overtime work, there is not a practice of conducting a detailed analysis in order to progressively reduce overtime work.
  10. The factory's current time keeping software is a well-known and widely used time keeping system that does not have a feature to automatically identify and track pregnant and/or lactating workers.

#### Recommendations for Immediate Action

Provide workers with at least one day off (24-consecutive hours) for every seven-day period.

#### FLA's Recommendations for Sustainable Improvements

1. Implement a system to understand the causes of overtime work by collecting and analyzing the following data:
  1. Planning related issues
  2. Monthly non-productive time and its reasons
  3. Monthly absenteeism and its impact on working hours
  4. Monthly worker turnover rate
  5. Rework rates and its impact on working hours
  6. Second-quality rates and their impact on working hours
2. Provide the compensatory rest day within three working days in case of a weekly day off overtime, as legally mandated.
3. Improve performance incentive system to increase productivity and reduce the need for overtime work. Ensure that workers are receiving extra productivity income while doing so as overtime premium payments accounts an important and integral part of their monthly income. Ignoring this fact could either increase worker turnover or eliminate potential improvements on productivity as workers probably won't work efficiently without such a monetary premium.
4. Review internal audit methodology and tools to ensure that internal auditors capture such issues.
5. Organize trainings for medium level managerial staff/supervisors and workers about FLA code and benchmark requirements, post company's COC in prominent places within the factory.
6. Review and update existing organizational structure to ensure HR and Compliance team head is to Managing Director but not Merchandising Manager
7. Review existing overtime work approval process to ensure compliance team is a part of decision making process and no overtime work can be conducted without their approval
8. Improve existing generator capacity for reducing power outage related idle time.
9. Consider increasing headcount at cutting and finishing departments as these departments are usually staying more overtime than other departments
10. Evaluate progressive methods for elimination of absenteeism, an attractive attendance bonus practice could improve attendance levels and reduce need for overtime work which is costly for factory
11. Organize training sessions for reducing reworks/second quality products. It was observed that most of the workers were not using automatic thread cutting option of the stitching machines which resulting uncut thread problem.
12. Contact with software service provider to add automatic identification and tracking of pregnant and lactating workers' working hours feature into existing timekeeping system.

## FINDING NO.3

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Termination & Retrenchment

##### Finding Explanation

The factory does not have any written policy or procedures on Retrenchment.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.32)

##### Root Causes

1. Since the factory has not experienced any cases of retrenchment and the business is well-structured and growing, they did not think a retrenchment procedure was needed.
2. Although managerial staff knows the general FLA Code of Conduct, they are not familiar with the complete benchmark requirements.
3. This issue has not been identified during previous internal or external audits.

##### FLA's Recommendations for Sustainable Improvements

1. Prepare a written policy and procedure on Retrenchment.
2. Consult the FLA and organize joint training sessions for managerial staff to raise awareness on the Code and its benchmarks.
3. Review the internal audit methodology and tools to ensure that such issues are captured by internal auditors.

## FINDING NO.4

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Industrial Relations

##### Finding Explanation

1. Worker representative elections for the Worker Participation Committee has not been conducted in the last two years.
2. The Industrial Relations (Freedom of Association) policy is missing the definition of "industrial actions."

##### Local Law or Code Requirement

Bangladesh Labor Rules 2015, Section 79; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.26; Freedom of Association Benchmark FOA.1)

##### Root Causes

1. Since the factory has not experienced any industrial actions (e.g., a strike, work stoppage, slowdown), management did not think that was a need to define it in the policy.
2. Some of the clients' representatives asked to be present during the day of the election which kept management from organizing elections.
3. These issues have not been identified during previous internal or external audits

##### Recommendations for Immediate Action

Organize worker representative elections for the WPC.

##### FLA's Recommendations for Sustainable Improvements

1. Revise the Industrial Relations policy to include the definition of "industrial actions".
2. Do not let clients stall legally mandated processes like worker representative elections.
3. Review internal audit methodology and tools to ensure that such issues can be captured by internal auditors

## FINDING NO.5

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

#### Finding Explanation

1. Revise the Industrial Relations policy to include the definition of “industrial actions”.
2. Do not let clients stall legally mandated processes like worker representative elections.
3. Review internal audit methodology and tools to ensure that such issues can be captured by internal auditors

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27)

#### Root Causes

1. These are not legal requirements so the factory management did not think it necessary to be included in the existing policy.
2. Although managerial staff knows the general FLA Code, they are not familiar with the complete benchmark requirements.
3. These issues have not been identified during previous internal or external audits.

#### Recommendations for Immediate Action

Immediately cease conducting pat-downs for workers at the factory. Only conduct pat downs and/or searches when there is evidence of thefts and with permission from the relevant authorities.

#### FLA's Recommendations for Sustainable Improvements

1. Revise the existing disciplinary procedure to include: a) third-party witness during the imposition and appeals of disciplinary actions and b) union and elected worker representatives in the development of policy and procedure as well as the decision-making process for disciplinary actions by forming a disciplinary committee where management and workers are equally represented. Ensure that the committee sanctions all disciplinary actions through a voting process.
2. Consult the FLA and organize joint training sessions for managerial staff to raise awareness on the Code and its benchmarks.
3. Review the internal audit methodology and tools to ensure that such issues are captured by internal auditors.

## FINDING NO.6

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Environmental Protection

#### Finding Explanation

1. The factory's Environment Clearance Certificate expired on October 2, 2016. The factory applied for its renewal through the relevant authority (Environment Department) on September 20, 2016, but the factory has yet to receive it.
2. The factory's generator set-up permission certificate expired on February 27, 2016. The factory applied for its renewal through the relevant authority (Bangladesh Energy Regulatory Commission) on March 24, 2016, but the factory has yet to receive it.
3. Cooling water from the laser cutting machines and oil-contaminated water from the air compressor, the air tank, and the dryers discharges directly onto the ground outside.
4. The factory stores some empty chemical barrels & containers, tube lights, and solid waste outside.
5. The solid waste – fabric, carton, and nylon – in the solid waste storage area is not properly separated.
6. The factory uses ozone-depleting refrigerant (R22) in the air conditioning system.
7. Compressed air leaks from the machines and air lines in different sections of the production areas, such as the stain removing area and sewing section.
8. The factory keeps sludge transportation carts outside which poses a risk of soil contamination when it rains.
9. There is not a filter press (i.e. sludge press) for sludge dewatering. Currently the factory does this by sun drying outside, which poses a risk of soil contamination.
10. The sludge storage area is constructed with brick walls and a brick floor, which poses a risk of soil contamination; this section should be constructed entirely of concrete.
11. The factory has not calculated the capacity of the existing secondary containment system for chemicals in chemical storage area.
12. There are used printing stencils stored outside which poses a risk of soil contamination when it rains.
13. Empty chemical bottles are left in the production area in the printing section instead of collected and stored in the appropriate area for proper waste disposal.
14. There is solid waste, both hazardous and non-hazardous (including construction waste) scattered around the factory and dormitory buildings.
15. The factory has not provided a secondary container for the diesel tank.
16. The factory has not color-coded the manhole covers or discharge lines to identify their connections.
17. The lights of some workstations are left on when those stations are idle. Furthermore, there are not standard operating procedures in place for turning lights off during break hours and when workstations are idle.

#### Local Law or Code Requirement

Bangladesh Environment Conservation Act, 1995, Section 12; Bangladesh Energy Regulatory Commission Act 2003, Chapter 6, Section 27; Bangladesh Labor Law 2006, Section 54; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.4, and HSE.9)

#### Root Causes

1. The internal audits do not focus on Environmental Protection. As a result, there are not any Environmental Protection violations in the internal audit reports.
2. The factory does not conduct any environmental risk assessments.
3. The factory does not provide any specific training on Environmental Protection to workers or managerial staff, nor has it conducted a training-needs assessment.
4. The EHS committee is not involved with issues related to Environmental Protection; their scope of work is limited to Health & Safety.

#### Recommendations for Immediate Action

1. The internal audits do not focus on Environmental Protection. As a result, there are not any Environmental Protection violations in the internal audit reports.
2. The factory does not conduct any environmental risk assessments.
3. The factory does not provide any specific training on Environmental Protection to workers or managerial staff, nor has it conducted a training-needs assessment.
4. The EHS committee is not involved with issues related to Environmental Protection; their scope of work is limited to Health & Safety.

#### FLA's Recommendations for Sustainable Improvements

1. Follow up with local authorities to obtain Environment Clearance Certificate and generator set-up permission certificate.
2. Prepare a phase-out plan for ozone-depleting refrigerant (R22) in the air conditioning system.
3. Provide an ultrasonic leak detector to the maintenance team to identify and maintain compressed air leaks in factory.
4. Implement color-coding system for manhole covers and discharge lines to identify water and liquid flows and their connections.
5. Collect solid waste and construction waste that is scattered around the factory and transfer it to the designated solid waste areas.
6. Review solid waste area to ensure the solid waste segregation is done properly and there is no mixed solid waste in this area.
7. Calculate the existing secondary containment system capacity for chemicals in the chemical storage area to ensure it is enough for containing potential leaks and/or spills.
8. Train the workers in the printing section and ensure that they do not leave empty chemical bottles in the production area.
9. Eliminate unnecessary illumination in the production area. Prepare an SOP for turning off lights during breaks and when workstations are idle.
10. Conduct a training-needs assessment for EHS committee members and the general workforce. Revise the existing training plan in light of the assessment results and deliver these trainings.
11. Ensure the EHS committee plays an active role in ongoing EHS efforts, such as participation with Risk Assessments and internal audits, PPE selection, policy and procedure development, and review of existing EHS policy and procedures.
12. Review and revise the existing internal audit tool to ensure that issues related to Environmental Protection are covered.
13. Conduct an environmental risk assessment to identify environmental risks in the factory and address such risks.

## FINDING NO.7

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. Some emergency lights in the dormitory building do not operate due to battery failure.
2. There are no liquefied petroleum gas (LPG) detectors in the kitchen of either the dormitory or the canteen area where LPG is in use.
3. The electrical fans in the compressor rooms indicate potential overheating of electrical panels and compressors in this area during the hot season.
4. Some electrical panels in the compressor room and production areas of the factory have overheated (69 to 72 degrees Celsius) and require maintenance.
5. There are no natural gas detectors in the main natural gas inlet room.
6. The factory's number of FSCD trained and certified firefighters is not line with local law requirements. The factory has 1,160 trained and certified firefighters; however, by law there must be 1,234 FSCD trained and certified firefighters for the number of workers at the factory. Furthermore, the existing firefighters are not properly trained on the factory's firefighting procedures. Though the factory has provided both internal and external training to them, most of the trained fire fighters interviewed were not aware of the existing procedures
7. The government-issued fire license does not include the 12 shipping containers within the factory premises used as a storage area for fabric, raw material, machine oil, and finished goods.
8. Some fire extinguishers in the managerial dormitory are placed in different areas of the factory instead of in their permanent locations (e.g. extinguisher CH-04).
9. Two emergency exit doors in the production area are tied open with ropes for ventilation. One of the exit doors does not have a handle or panic bar.
10. While workings, kitchen staff sit on stools that block the evacuation route for the kitchen.
11. The last regular inspection of the fire extinguisher in the elevator machine room was August 3, 2015.

12. As there is not a defined storage limit in the factory, storage reaches an excessive height in the corridors of the production areas and storage areas.
13. The factory has not properly hung around 30 fire extinguishers. Furthermore, three fire extinguishers in the production floor and storage area are partially blocked by production materials.
14. The factory's installation of fire doors, fire detection system, and fire hydrant and sprinkler system is ongoing; however, the defined deadlines for completion had passed a couple months prior to the assessment.
15. Evacuation routes in the sewing section, finishing section, the kitchen and office areas are partially blocked due to a high work-in-progress (WIP) level. During the current assessment, aisles and one emergency exit were partly blocked in the office section (merchandising), sewing section, finishing section, store and finished goods area by work stations, half-done garments, fabric rolls and finished cartons.
16. The arrows marking evacuation routes are faded in a few aisles of the sewing and finishing sections, the store, and finished goods area.

#### Local Law or Code Requirement

Bangladesh Labor Code 2006 Chapter 6, Section 62; BNBC, Part 4, Chapter 4; Bangladesh Labor Rules 2015, Section 55; Fire Service & Civil Defense Act 2003, Section 4(1); FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.4, HSE.5, HSE.6, and HSE.13)

#### Root Causes

1. There is a growing demand on fire safety material and equipment service providers due to Accord and Alliance audits. Many factories are required to install fire detection, alarm, and safety systems; however, the number of service providers is limited. As a result, these service providers are usually busy and reluctant to sign contracts with firm delivery dates. The factory is currently working with three service providers – two for fire doors and one for a sprinkler system installation. The factory does not have a written agreement with deadlines but verbal agreement. The deadlines for completion of these tasks have already passed.
2. The existing risk assessment report is very basic and does not include all risks or how to eliminate and/or manage those risks.
3. The overheated panels are due to a lack of maintenance, loose connections, unbalanced load distribution, and the use of the wrong wire diameter.
4. The factory does not undergo periodic thermal imaging efforts to identify overheating in panels, electrical motors, wirings, and other electrical appliances.
5. It is challenging for factories to meet the minimum requirement (18%) of FSCD trained and certified workers due to the cost of training and certification, ongoing production work, and worker turnover rate.
6. Management was not aware of the requirement to include containers with the fire license, as these containers are not a physical part of the factory building and are located outside.
7. The Environmental, Health & Safety (EHS) committee is not actively involved in ongoing EHS efforts. There is no EHS committee involvement on key EHS issues like risk assessments (fire and Health & Safety), internal audits, Personal Protective Equipment (PPE) selection, policy and procedure development, and review of existing EHS policy and procedures.
8. The factory does not provide specific training to EHS committee members.
9. Most of these issues have not been identified during previous internal or external audits.

#### Recommendations for Immediate Action

1. Install LPG detectors in all areas where LPG is used, including the kitchen in the dormitory.
2. Keep all emergency evacuation routes free from obstruction and clear at all times.
3. Ensure that emergency exit doors are not kept open for any reason, and all emergency exit doors have panic bars or, at minimum, handles.
4. Identify and maintain electrical panels in the factory that have overheated.
5. Install natural gas detector in the main natural gas inlet room and ensure it is operational.
6. Ensure that all emergency lights, including the ones in the dormitory, are operational at all times.
7. Prepare a plan to gradually increase the number of FSCD trained and certified workers in the factory.
8. Maintain all electrical motors in the compressor room.
9. Include the twelve containers in the fire license.
10. Ensure that all fire extinguishers are regularly inspected, not obstructed, and hung in their permanent locations.

#### FLA's Recommendations for Sustainable Improvements

1. Define a maximum-allowable storage limit for storage areas. Post those limits in prominent places.
2. Organize a meeting with service providers who are responsible for installation of fire doors, fire detection system and fire hydrant and sprinkler system and establish new deadlines for completion.
3. Reduce the WIP level within the production areas.
4. Renew faded floor markings in the factory.
5. Rearrange the working areas in the kitchen and train kitchen staff to not to block emergency evacuation route in this section.
6. Provide a thermal camera to maintenance and EHS team and let them conduct weekly checks on the following: the electrical panels (especially panels in the compressor rooms, main electrical panels in each section, power generator room and panels with high load); the electrical wiring; the electrical motors and pumps; and the boilers and steam lines.
7. Review existing maintenance program within the factory and implement more predictive and preventive actions, rather than conventional maintenance activities such as: provide specific training to maintenance staff on predictive and preventive maintenance; use thermal imaging and ultrasonic measurements to identify potential issues before they occur; and follow the average life span of machines, infrastructure, and equipment and conduct inspections, lubrications, repairs or rebuilds based on known average life span.
8. Conduct a training-needs assessment for EHS committee members and the general workforce. Revise the existing training plan in light



of the assessment results and deliver these trainings.

9. Ensure the EHS committee plays an active role in ongoing EHS efforts, such as participation in risk assessments and internal audits, PPE selection, policy and procedure development, and review of existing EHS policy and procedures.

10. Review and revise existing internal audit tool to ensure all potential areas of risk are covered.

11. Review and revise existing risk assessment report to ensure that it covers all risk factors and how to eliminate or mitigate those risk factors.

## FINDING NO.8

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The grinding machines do not have machine guards.
2. Some air tanks are not bolted to their permanent positions; furthermore, safety vents of some air tanks are rusted.
3. Flowerpots placed on the walking platform of the effluent treatment plant (ETP) pose a tripping risk to the operators.
4. The factory has not marked the manometers on the pressure vessels indicating the working and maximum working pressure levels.
5. The factory uses compressed air (air guns) for cleaning; however, this increases the amount of dust in the air.
6. Mobile compressors are in use in printing and maintenance sections, which increases the noise level and poses an explosion risk.
7. Some printing machines do not have chain guards. Additionally, the side covers of some of the printing machines are fixed with duct tape and some are left open. Furthermore, water leaks from these machines; the factory has used scrap fabric pieces to plug the leaks.
8. The factory has used tape to improperly repair hand tools (e.g. hairdryers) in the printing section.
9. The factory has not provided any specific Health & Safety training to the laser machine operators working with a Class 4 laser.
10. The manometer on the air tank located at the outside of the factory building is broken and nonoperational.
11. The motor of the end pattern cutting machine is fixed with adhesive tape.
12. Some machines – less than 3% of the inspected machines – are missing needle guards. On less than 5% of the inspected machines, the workers have lifted up the needle guards.
13. There is no reverse siren on many trucks within the factory area, nor is there a system in place to inspect them.
14. The factory stores materials in front of the ventilation fans in the production areas, blocking them.
15. The vacuum system for the ironing tables is not properly connected but connected with fabric and tape instead.

##### Local Law or Code Requirement

FLA Workplace Code (Health, Safety, & Environment Benchmark HSE.13 and HSE.14)

##### Root Causes

1. The EHS committee is not actively involved in ongoing EHS efforts. There is no EHS committee involvement on key EHS issues like risk assessments (fire and Health & Safety), internal audits, PPE selection, policy and procedure development, and review of existing EHS policy and procedures.
2. The factory does not provide specific training to EHS committee members.
3. Most of these issues have not been identified during previous internal or external audits.
4. The existing risk assessment report is very basic and does not include all risks or how to eliminate and/or manage those risks.

##### Recommendations for Immediate Action

1. Provide proper machine guards for grinding and printing machines.
2. Maintain the safety vents on pressure vessels to ensure that safety vents are functioning.
3. Fix all air tanks to their permanent positions.
4. Remove all mobile compressors from maintenance and printing sections. Keep them in an isolated area that is not in the vicinity of workers.
5. Remove flower pots on the walking platform of the ETP.
6. Ensure that none of the machines and hand tools are repaired properly and maintained by technicians.
7. Ensure that needle guards are available and actively used by workers.

##### FLA's Recommendations for Sustainable Improvements

1. Properly maintain water leaks on printing machines.
2. Organize a specific Health & Safety training for laser machine operators working with Class 4 laser machines
3. Replace broken manometers on a timely basis, ensure that working and maximum working pressure levels are marked on manometers
4. Ensure that trucks within the factory area have a functioning reverse gear siren and there is a system in place to inspect them regularly.
5. Cease the storage material or equipment in front of ventilation fans.
6. Properly connect the vacuum system for the ironing tables.
7. Prohibit use of compressed air for cleaning operations, if its inevitable then use pressure droppers to ensure that its limited as 2 bars pressure.



8. Prepare and implement a regular procedure for checking safety vents of the pressure vessels.
9. Conduct a training-needs assessment for EHS committee members and the general workforce. Revise the existing training plan in light of the assessment results and deliver these trainings.
10. Ensure the EHS committee plays an active role in ongoing EHS efforts, such as participation with risk assessments and internal audits, PPE selection, policy and procedure development, and review of existing EHS policy and procedures.
11. Review and revise existing internal audit tool to ensure all potential areas of risk are covered.
12. Review and revise existing risk assessment report to ensure that it covers all risk factors and how to eliminate or mitigate those risk factors.

## FINDING NO.9

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The MSDSs do not have all 16 sections, as per international standards. Furthermore, of the MSDSs checked, about 30% are only in English, and not in the local language.
2. The factory has not provided the correct PPE for the chemicals in use, as prescribed by their MSDSs. For example, there is not the proper PPE for the synthetic rubber solution, Aica-Aibon.
3. The factory has not conducted a Volatile Organic Compound (VOC) measurement within the chemical use areas.
4. The labels of some chemical containers in the chemical warehouse and printing sections are not in local language, but in Chinese.
5. Although most of the PPE has international quality certification marks, the protective goggles in the stain removing section do not.
6. There are unlabeled chemical containers in the printing section.
7. Paint thinner is used for cleaning in kitchen and canteen areas.
8. Although stain-removing chemicals are in use in the stain removing section, there is a sign posted in this section stating "no chemical in use."
9. The workers do not effectively and continuously use the PPE provided to them (face masks, gloves, goggles, gumboots, and respiratory masks) in the printing section, sewing section, and spot removing areas.
10. There are no standard eye wash kits but spray bottles provided in different parts of the production area. Furthermore, some emergency eyewash stations have a manual operating system instead of a paddle operating system.
11. The factory does not have a system in place to identify and replace hazardous chemicals, such as synthetic rubber adhesives and thinners containing Toluene and N-Hexane which are highly hazardous to health, with less hazardous alternatives.
12. Different types of chemical containers are stored on the production floor without proper separation and secondary containment in printing section. The factory has also not posted the MSDS forms of these chemicals in this area.

##### Local Law or Code Requirement

Bangladesh Labor Code 2006, Clause 79; Bangladesh Labor Rules 2015, Section 67(2); FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.7, HSE.8, HSE.9, and HSE.10)

##### Root Causes

1. Although there is a master list in place for the chemicals in use, this list is incomplete and does not include all chemicals currently in use. Furthermore, the list does not include the ingredient information.
2. The EHS committee is not actively involved in ongoing EHS efforts. There is no EHS committee involvement on key EHS issues like risk assessments (fire and Health & Safety), internal audits, PPE selection, policy and procedure development, and review of existing EHS policy and procedures.
3. The factory does not provide specific training to EHS committee members.
4. Most of these issues have not been identified during previous internal or external audits.
5. The existing risk assessment report is very basic and does not include all risks or how to eliminate and/or manage those risks.

##### Recommendations for Immediate Action

1. Make all MSDSs available in the local language for all chemicals in use, where the chemicals are stored and used.
2. Ensure the MSDSs are in line with international standards and include all 16 sections, which are as follows:
  1. Identification of substance/mixture and of the company/undertaking
  2. Hazards Identification
  3. Composition/information on ingredients
  4. First aid measures
  5. Firefighting measures
  6. Accidental release measures
  7. Handling and storage
  8. Exposure control/Personal protection
  9. Physical and chemical properties
  10. Stability and reactivity

11. Toxicological information
12. Ecological information
13. Disposal considerations
14. Transport information
15. Regulatory information
16. Other information
3. Provide PPE in the chemical use areas that is in line with the MSDSs and therefore provides adequate protection from risks associated with chemicals.
4. Ensure that all PPE in use has the international quality certification marks.
5. Properly label all chemical containers in the local language.
6. Prohibit the use of paint thinner for cleaning operations in canteen/kitchen
7. Conduct annual VOC measurements in the chemical use areas.

#### FLA's Recommendations for Sustainable Improvements

1. Remove the "no chemical in use" sign posted in the stain removing section.
2. Organize more trainings on chemical safety and the importance of PPE use. Evaluate the efficiency afterwards.
3. Ensure that spray bottles are not used as eye wash kits and existing eye wash stations have a paddle operating system.
4. Evaluate all chemicals currently in use within the factory to identify and replace hazardous chemicals, such as synthetic rubber adhesives and thinners containing Toluene and N-Hexane, with less hazardous alternatives.
5. Organize a designated chemical storage area in the printing section and ensure that chemicals stored in this area are organized and stored according to their potential reactivity with each other.
6. Post the MSDSs of the chemicals in areas where they are stored and used.
7. Conduct a training-needs assessment for EHS committee members and the general workforce. Revise the existing training plan in light of the assessment results and deliver these trainings.
8. Ensure the EHS committee plays an active role in ongoing EHS efforts, such as participation with risk assessments and internal audits, PPE selection, policy and procedure development, and review of existing EHS policy and procedures.
9. Review and revise existing internal audit tool to ensure all potential areas of risk are covered.
10. Review and revise existing risk assessment report to ensure that it covers all risk factors and how to eliminate or mitigate those risk factors.

## FINDING NO.10

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The grounding measurement report does not include any measurements from sockets or machinery locations. However, there are high ground readings from some sockets in production areas.
2. The factory uses two-pronged plugs with some three-pronged sockets; therefore, there is no grounding protection.
3. There is phase-neutral reverse wiring in some sockets in the production area.
4. The factory has not installed residual current devices (RCD) on the electrical panels.
5. The factory does not immediately remove equipment with electrical problems from service; as a result, the factory uses tape to fix or connect the electrical wiring. Furthermore, there are switchboard panels without covers in different sections of the factory.
6. Although the factory's uses 220 Volts, all electrical panels are labeled with signs stating "Warning: 440 Volts".
7. Electricians are not provided with insulating high voltage safety shoes.
8. There are no insulator mats in front of some electrical panels in the printing section. Additionally, in the same section, the factory stores materials in front of the electrical panels.
9. There is no proper grounding connection available for the light bulbs used in some electrical panels as illumination.

#### Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.7 and HSE.13)

#### Root Causes

1. The factory does not have a handheld multifunction electrical testing equipment for both the maintenance and the EHS team to use.
2. RCD protection is not a legal requirement in Bangladesh.
3. The EHS committee is not actively involved in ongoing EHS efforts. There is no EHS committee involvement on key EHS issues like risk assessments (fire and Health & Safety), internal audits, PPE selection, policy and procedure development, and review of existing EHS policy and procedures.
4. The factory does not provide specific training to EHS committee members.
5. Most of these issues have not been identified during previous internal or external audits.
6. The existing risk assessment report is very basic and does not include all risks or how to eliminate and/or manage those risks.

#### Recommendations for Immediate Action

1. Include measurements from the sockets and machinery locations in the grounding measurement report.
2. Prohibit the use of two prong plugs in three prong sockets.
3. Ensure that extension cables are properly repaired with heat shrink tubing or replaced in a timely manner. Maintain the electrical panels to ensure their covers are closed at all times.
4. Check and repair the sockets with high grounding readings, missing grounding connections, and positive-negative reverse wiring issues.
5. Provide insulating high voltage safety shoes (i.e. electrician shoes) to the electricians.
6. Remove the light bulbs in electrical panels.
7. Provide insulator mats in front of electrical panels.
8. Ensure that no material is stored in front of electrical panels.

#### FLA's Recommendations for Sustainable Improvements

1. Replace 440 Volts warning signs on electrical panels with 220 Volt Warning Signs.
2. Buy a multifunction electrical test equipment to conduct loop, RCD, voltage drop, and insulation resistance tests within the factory.
3. Create a plan to install RCDs on the electrical panels, starting with 300mA RCDs for fire protection on the main panels and 30mA RCDs on the distribution panels for protection against electrical shocks.
4. Conduct a training-needs assessment for EHS committee members and the general workforce. Revise the existing training plan in light of the assessment results and deliver these trainings.
5. Ensure the EHS committee plays an active role in ongoing EHS efforts, such as participation with risk assessments and internal audits, PPE selection, policy and procedure development, and review of existing EHS policy and procedures.
6. Review and revise existing internal audit tool to ensure all potential areas of risk are covered.
7. Review and revise existing risk assessment report to ensure that it covers all risk factors and how to eliminate or mitigate those risk factors.

## FINDING NO.11

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The factory does not provide safety shoes to warehouse workers, including those who use the pallet truck and forklift.
2. The factory has not labeled shelves throughout the factory and warehouse area with maximum load requirements.
3. The portable platform ladder in warehouse area does not have protective barrier or rails.
4. There is no no-slip tape or surface on the any of the stairs in the factory, which poses a risk to workers after cleaning or on rainy days.
5. There are no rails on the stairs in the elevator machine room.
6. There is no maximum height warning sign on the bridge between the two production buildings.
7. In order to store production materials, workers walk around and crouch on the top of the shelves in the production area, which poses a falling risk.
8. The factory uses fabric scraps to dry the floor, stairs, and restrooms on rainy days, which usually pile up on the stairs, posing a falling risk.
9. The external door to the material and product conveyor belt is left open and poses a falling risk.
10. The factory does not provide hearing protection to workers working around the ultrasonic stitching machines.

#### Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.7, HSE.13, and HSE.14)

#### Root Causes

1. The EHS committee is not actively involved in ongoing EHS efforts. There is no EHS committee involvement on key EHS issues like risk assessments (fire and Health & Safety), internal audits, PPE selection, policy and procedure development, and review of existing EHS policy and procedures.
2. The factory does not provide specific training to EHS committee members.
3. Most of these issues have not been identified during previous internal or external audits.
4. Existing risk assessment report is very basic and does not include all risks or how to eliminate and/or manage those risks.

#### Recommendations for Immediate Action

1. Ensure that workers are not working at the top of the shelves in the production area.
2. Keep the external door of the material and product conveyor belt closed at all times.

#### FLA's Recommendations for Sustainable Improvements

1. Provide safety shoes to warehouse workers, including those who use the pallet truck and forklift.
2. Label shelves with their maximum load throughout the factory and warehouse areas.
3. Provide protective barrier and handles to the portable platform ladder in warehouse area

4. Provide industrial grade mats to keep stairs dry on rainy days, stop using scrap fabric for cleaning and/or drying purposes
5. Install rails to the stairs to the elevator machine room
6. Place maximum height warning sign on bridge between two production buildings
7. Conduct a training-needs assessment for EHS committee members and the general workforce. Revise the existing training plan in light of the assessment results and deliver these trainings.
8. Ensure the EHS committee plays an active role in ongoing EHS efforts, such as participation with risk assessments and internal audits, PPE selection, policy and procedure development, and review of existing EHS policy and procedures.
9. Review and revise existing internal audit tool to ensure all potential areas of risk are covered.
10. Review and revise existing risk assessment report to ensure that it covers all risk factors and how to eliminate or mitigate those risk factors.
11. Provide ear plugs to workers working around ultrasonic stitching machines.

## FINDING NO.12

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. There is not a system in place to store food samples from the managerial dormitory for at least 72 hours after serving.
2. The factory does not have a procedure to regularly clean and sanitize the drinking water dispensers.
3. There is not a defined weight limit for manual handling and lifting.
4. The factory does not provide anti-fatigue mats to approximately 10% of standing workers. Approximately 10% of sitting workers are not provided with adjustable chairs with backrests and approximately 10% of workers do not have adjustable work stations.
5. The emergency eyewash kit in the printing section is rusted and contaminated with paint, dust, and/or dirt.
6. The factory provides different type of protective masks, carbon and dust masks, in the printing section; carbon masks are, however, only sufficient for mild levels of chemicals.
7. The drinking water cups are for common use which makes workers vulnerable to contagious diseases.
8. There is no system in place to regularly inspect the water quality of the water-based cooling system for legionella and other potential issues.

##### Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.6, HSE.7, HSE.17, HSE.22, and HSE.23)

##### Root Causes

1. The EHS committee is not actively involved in ongoing EHS efforts. There is no EHS committee involvement on key EHS issues like risk assessments (fire and Health & Safety), internal audits, PPE selection, policy and procedure development, and review of existing EHS policy and procedures.
2. The factory does not provide specific training to EHS committee members.
3. Most of these issues have not been identified during previous internal or external audits.
4. The existing risk assessment report is very basic and does not include all risks or how to eliminate and/or manage those risks.

##### FLA's Recommendations for Sustainable Improvements

1. Implement a system to keep food samples (in the event of food poisoning) that includes the following:
  1. Save at least 150g of each food item served
  2. Store samples in refrigerator between 0 and 4 degrees Celsius
  3. Keep samples for 72 hours
2. Implement a system to regularly clean and sanitize the drinking water dispensers. Keep records of when dispensers are cleaned and sanitized.
3. Define a limit for manual handling and lifting. Provide more training opportunities to supervisors and workers on manual handling to ensure that they follow written procedures.
4. Provide anti-fatigue mats to all standing workers.
5. Progressively replace chairs without adjustable backrest and fixed workstations with adjustable chairs and workstations, respectively.
6. Maintain the emergency eyewash and shower facility in the printing section.
7. Ensure that workers in the printing section are provided with correct type of mask which eliminates the risks of the working environment.
8. Prohibit common use of drinking water cups.
9. Implement a system to annually inspect the water quality of the water-based cooling system.
10. Conduct a training-needs assessment for the EHS committee members and the general workforce. Revise the existing training plan in light of the assessment results and deliver these trainings.
11. Ensure the EHS committee plays an active role in ongoing EHS efforts, such as participation with risk assessments and internal audits, PPE selection, policy and procedure development, and review of existing EHS policy and procedures.
12. Review and revise existing internal audit tool to ensure all potential areas of risk are covered.

13. Review and revise existing risk assessment report to ensure that it covers all risk factors and how to eliminate or mitigate those risk factors.

## FINDING NO.13

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The childcare is not included in the existing risk assessment report and emergency response plans; therefore, risks in this area were not evaluated and thus missing in emergency response plans.
2. High temperatures and humidity levels were recorded in some sections (e.g., 35 degrees Celsius and 75% humidity), which is problematic for thermal comfort. However, there is not a system in place to analyze these figures (in light of the Humidex or WBGT charts) and subsequently plan or implement corrective action.
3. Some medicine in the workplace health unit might need to be refrigerated; however, the workplace doctor has not yet researched this.
4. There is medicine (antacid and painkillers) in the first aid kits.
5. The factory uses compressed air for some sewing procedures, which creates a noisy environment and increasing the dust concentration in the working environment while also wasting energy.

##### Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1, HSE.6, HSE.13, and HSE.18)

##### Root Causes

1. Factory management lacks knowledge of international standards on thermal comfort conditions.
2. The EHS committee is not actively involved in ongoing EHS efforts. There is no EHS committee involvement on key EHS issues like risk assessments (fire and Health & Safety), internal audits, PPE selection, policy and procedure development, and review of existing EHS policy and procedures.
3. The factory does not provide specific training to EHS committee members.
4. Most of these issues have not been identified during previous internal or external audits.
5. Existing risk assessment report is very basic and does not include all risks or how to eliminate and/or manage those risks.

##### FLA's Recommendations for Sustainable Improvements

1. Include the childcare in the risk assessment report and emergency response plans.
2. Analyze thermal temperature and humidity figures in light of the Humidex or WBGT charts, plan and implement corrective actions in light of this analysis.
3. Workplace doctor will conduct a study to identify medicines might need to be refrigerated
4. Remove medicine from first aid kits.
5. Cease the use of unnecessary compressed air for some sewing procedures.
6. Conduct a training-needs assessment for EHS committee members and the general workforce. Revise the existing training plan in light of the assessment results and deliver these trainings.
7. Ensure the EHS committee plays an active role in ongoing EHS efforts, such as participation with risk assessments and internal audits, PPE selection, policy and procedure development, and review of existing EHS policy and procedures.
8. Review and revise existing internal audit tool to ensure all potential areas of risk are covered.
9. Review and revise existing risk assessment report to ensure that it covers all risk factors and how to eliminate or mitigate those risk factors.