



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Volcom

COUNTRY: India

ASSESSMENT DATE: 07/06/17

ASSESSOR: Insync Global

PRODUCTS: Apparel

NUMBER OF WORKERS: 165

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: Training (Macro)

Finding Explanation

1. Factory does not have a formal training program for Supervisors and Managers. ER.17
2. No training is provided to Supervisors and workers on Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Workplace Conduct & Discipline, and Industrial Relations. No training is provided to HR staff on Workplace Conduct & Discipline. ER.15 and ER.17
3. There is some training on Health & Safety related to fire safety, first aid, and environmental protection; however, the factory does not conduct regular training. Annual training is normally conducted in December; the last training was conducted on 28th December 2016 on "environment, energy management and greenhouse gases and ozone depletion." According to attendance records 45 employees participated in this training, but none of the interviewed workers confirmed this training. There was one training conducted on "disaster management" in June 2017, which 11 employees attended. Though signatures are recorded as evidence of their attendance, three of these workers did not remember participating in this training. Although there are documents pertaining to training on Personal Protective Equipment (PPE), none of the workers interviewed were aware of any training on this subject. No Health & Safety training is provided to supervisors. HSE.8 and HSE.14
4. The orientation program for workers does not include Industrial Relations and Workplace Conduct & Discipline. The written documentation that substantiates the issues covered in orientation does not include the date that the training was conducted. The orientation training document is signed and filed in personnel files of workers. Orientation training is provided for workers on the factory rolls, but not for the 19 outsourced workers (6 Security 6 guards, 4 Housekeeping workers and 9 workers in cutting section). ER.15

Local Law or Code Requirement

FLA workplace Code (Employment Relationship Benchmarks ER.15, ER.16, ER.17, ER.25, and ER.27; Health, Safety & Environment Benchmarks HSE.8 and HSE.14)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. In this regard we want to update that we shall implement a orientation & periodic training programmed for supervisors & managers.
2. We shall conduct periodic training to all workers including H.R. Staff on Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Workplace Conduct & Discipline, and Industrial Relations.

3. We are conducting all training related to health & safety in a timely manner & documented proofs are also available. In this regard if needed. We shall re- arrange the schedule of all training related to health & safety and communicate it to all workers respectively.

We have prepared a complete yearly training plan which includes all training schedule. Yes, we ensure that above training will cover every worker in the factory.

4. We shall update our orientation programmed with the clause of Industrial Relations and Workplace Conduct & Discipline & date of training mentioned on it. Also we shall provide Induction training to all outsourced workers & will keep documented proofs in their personal files.

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We have prepared a complete yearly training plan which includes all training schedule. Yes, we ensure that above training will cover every worker in the factory.

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FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The creation/revision date is not recorded on the written policies and procedures for Recruitment & Hiring, Compensation, Hours of Work, Retrenchment, Grievance System, and Health & Safety. ER.1.3
2. The Environmental Protection policy is not signed by management and dated. ER.1.3
3. No review period is defined for any of the policies and procedures, and there is no evidence to indicate that the policies and procedures are periodically reviewed. ER.1.3

Local Law or Code Requirement

FLA workplace Code (Employment Relationship benchmark ER 1.3)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We shall update all our policies with updated laws & creation/ revision date. 2. We have updated the Environmental protection policy with the creation date & signed by the management. 3. We shall review all policies & procedures on yearly basis or when required, also we shall update all policies with Creation & revision date.

FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory does not have a policy on Personnel Development. ER.28, ER.29, and ER.30
2. The policy on recruitment and hiring does not include information on hiring service providers for security and housekeeping, or for outsourced workers in the cutting department, who are on the payroll of an external contractor. ER.1 and ER.11
3. The procedures on recruitment and hiring do not include: information on timelines for the hiring process, requirement to maintain employment documentation, and the need for trainings to be conducted for person(s) responsible for recruitment and hiring, or training for supervisors and the general workforce. There are no written policies and procedures on performance review. ER.28, ER.29 and ER.30
4. Written job descriptions are not prepared for any positions when personnel need to be hired. Job descriptions are not provided to the management team to manage each employment function. ER.1
5. Employment record for outsourced security guards are not updated to reflect current wages being paid. The FLA Workplace Code of Conduct requirements are not included in the contracts between the factory and service providers, with the exception of Compensation and Hours of Work(Security, Housekeeping, and Cutting workers). There are no written contracts with the subcontractors used for the printing and dyeing processes. ER.11
6. The probation period is for six months. C.3
7. Clause 4 in the employment contract for outsourced workers states that work over nine hours in a day will be considered as overtime work, while for workers on factory rolls overtime begins after eight hours. However, in practice, no worker works beyond eight hours a day. ER.11 and HOW.1.1
8. Clause 13 in the employment contracts, "duration of maternity leave," has not been revised from 12 weeks to 26 weeks as per amendments made in the Maternity Benefit Act in March 2017. Currently there are no workers on maternity leave. ND.8.1
9. Management stated that employment contracts are provided to workers; however, based on information gathered during worker interviews, employment contracts are not provided to workers. ER.5.7

Local Law or Code Requirement

Industrial Employment Standing orders Act 1946; Factories Act 1948 - section 9 –working hours; Maternity Benefit Amendment) Act 2017; Child Labour (Prohibition and Regulation) Act, 1986 – Definition of child and Factories Act 1948 –section 9 – Working hours; FLA workplace Code (Compensation Benchmark C.3; Employment Relationship Benchmarks ER.1, ER.11, ER.28, ER.29, and ER.30; Non Discrimination benchmark ND 8.1; Hours of Work Benchmark HOW 1.1)

Recommendations for Immediate Action

1. Reduce the probation period to 3 months, as legally required, for all employees.
2. Change Clause 4 in the employment contract for outsourced workers, and ensure overtime is applicable after completing 8 hours of regular work, as legally required.
3. Revise the clause on Maternity leave to comply with revised legal requirement for providing 26 weeks of leave instead of 12 weeks.
4. Provide employment contracts to all employees.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We are in process to create a policy on personal Development.
2. We shall update the policy on recruitment & hiring with the information on hiring service for outsourced workers.
3. We shall update the policy on recruitment & hiring with the information on timelines for the hiring process, requirement to maintain employment documentation. And we have created a policy & procedure on performance appraisals.
4. We shall prepare job descriptions for all positions & persons newly hired.
5. We shall update Employee service record on all personal files of outsourced workers. Also we shall update the contracts with the

clause of FLA's code of conduct.

Please note that there is no industry practice where such written agreements are being entered with Dyeing & Printing Processors. However, to ensure that our Suppliers follow standard Social Code of conduct, we get the Subcontractor Form duly signed by Processors indicating the acceptance of the Code of Conduct & responsibility of following & maintaining of standard

Factory uses these Processors or Mills for carrying out their job work. Workers are recruited by the Processors & they work on Processor's payroll. Please refer the attachment 01"

6. Now we have updated our all documents & Employment contracts with probation period is for Three Months instead of Six Months.
7. Now we have updated Employment contracts of outsourced workers which indicates the working hours 08 hours per day.
8. We have updated the duration of maternity leaves in employment contracts from 12 weeks to 26 weeks.
9. We are providing employment contracts to all workers respectively. Every worker in the factory has provided Employment contracts as previously.

FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The provision of maternity benefits and mandated holidays is not included in the Compensation policy. Clause 5 in the Compensation policy states that wages will paid in cash instead of being directly transferred to bank accounts, as legally required. No information is provided on pay period and pay date. ER.1 and C.1
2. There are no written procedures on Compensation. ER.1
3. Two of the three Electricians are considered staff (above worker category) and paid higher gross wages when compared to the third electrician, who does not poses a technical certificate, and is considered a worker. The basic wage of these two electricians is INR 6700 and INR 6600 per month, which is below the minimum wages (INR 9118.86) for skilled workers and less than the third electrician (with no technical qualification) whose basic wage is INR 9119 per month. As per legal definition Electricians cannot be categorized as staff and are considered as workers as they work with tools and nature of job is not supervisory. Hence, basic wages of the two electricians who are considered as staff should be at least INR 9118.86 as being paid to the third electrician who is a worker. Contribution for the Provident Fund is calculated based on the basic wage. C.2 and C.5
4. The date of payment is not recorded on wage records for the outsourced security guards, housekeeping workers, and workers from the cutting section. As stated by management, wages are paid by the eighth of the month instead of the seventh. Management does not sign wage records of outsourced security guards, as legally required, to confirm accurate and timely payment of wages. C.4
5. Wage records for June 2017 for the housekeeping workers was signed by workers, even though workers confirmed that they have not yet receive their wages. ER.19 and C.4
6. Full and final settlement sheets resignation letters attached are not signed by management to confirm accurate calculation and confirmation of termination payment, although workers have signed to acknowledge receipt. In five out of ten files reviewed, the date of payment is not recorded in the full and final pay record, and on four out of ten sampled files, the date is not recorded on resignation letters. In four out of ten sampled files, date of payment reflected is prior to date of resignation. Therefore it is not possible to verify if termination dues were paid within the legally defined time limits. ER.19, C.14, and C.15
7. Outsourced security guards and housekeeping workers receive a wage slip that only includes the workers' gross income, net income, and deductions. Furthermore the wage slip is issued to these workers in English, and not in local language (Hindi). C.13
8. The Bonus Act was revised on January 1, 2016 and was to be implemented effective financial year starting April 1, 2014 to March 2015. Per revised Act, the base amount of calculation of payable bonus was revised from INR 3500 to INR 7000, or applicable minimum wage, whichever was higher. The factory paid bonus in October 2015 for the financial year April 2014 to March 2015, calculated at a base wage of INR 3500, as per existing regulation. The factory has not paid the arrears arising out of the difference of amount between INR 3500 and INR 7000, as per revised Bonus Act of 2015. ER.22 and C.1
9. A review of bank statements revealed a two day delay in transferring wages for May 2017 for 28% of workers, and delay by five days to transfer wages for June 2017 for 24% of workers.

Local Law or Code Requirement

Uttar Pradesh wage notification for period April 1, 2017 to September 30, 2017; The Payment of Wages Act, 1936 – section 7 – Return, Registers and Records; The Minimum Wages Act 1948 – Section 4; The Bonus Act (Amended) 2015; The Contract Labour (Regulation and

Recommendations for Immediate Action

1. The basic wages of the electricians should be revised to wages as payable to skilled category of workers and calculation of the Provident Fund should be based on the revised basic wage.
2. Record the date of payment on payment records, and management representative should sign on the wage records of outsourced workers to confirm accurate and timely payment of wages.
3. Pay wages to outsourced workers prior to obtaining signatures of workers acknowledging receipt of the payment.
4. Documents pertaining to payment of termination dues should include all required information to demonstrate compliance with legal requirements.
5. Wage slips issued to outsourced workers should comply with legal requirements to provide complete information on earnings and deductions, and should be in the local language.
6. Pay arrears, as per revised Bonus Act of 2015, to workers.
7. Pay workers wages within the legally defined timelines.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We shall update the compensation policy with the details about provision of maternity benefits and mandated holidays, Salary transfer to Bank Accounts & Payment date.
2. We are in process to create a procedure on compensation.
3. We have revised the basic wage of all three electricians equally as per skilled category workers.
4. We shall track the payment of outsourced workers & the wage records will be signed by the management to confirm accurate & timely payment to outsourced workers.
5. We shall record the date of payment on all wage records to confirm the accuracy.

We shall not take signatures of any workers including contract workers before payments.

6. We have updated the procedure for full & final settlement, Management signatures & Resign/ Payment Date shall be recorded on Full & Final Settlement Sheets to confirm the accuracy & timely payment of all Dues.

We have already updated the Procedure of Full & Final settlements with management signatures, payment dates & proper documentation. We have also implemented this procedure with immediate effect & provided a training to all factory workers & staff.

7. We have revised the Format of pay slip for the outsourced workers with full calculations & also in both languages English & Hindi.
8. We have reviewed the records in detail & have found the same incomplete. We would be calculating the arrears & would make the requisite payments to the concerned employees

We have appointed a dedicated personnel & is given full responsibility to follow updates on every acts in future.

9. There was some delay in transferring the salaries in the month of may & June 2017 due to Change in banking Software's due to which there was a delay in opening of Bank accounts of new employees.

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The policy on Hours of Work does not include information on working hours during extra ordinary business circumstances. There are no written procedures regarding Hours of Work; however, there is a system to manage working hours. The factory does not have provisions on special working hours for special categories of workers. ER 23.2 and HOW.5
2. Management stated that workers do not work overtime, and that there are no records for overtime hours worked and related pay records. There was no documentary evidence found to indicate workers work overtime. However from interviews with workers, it was evident that workers were coached to conceal overtime working hours; workers were providing information on daily working hours and weekly rest day without being asked. ER.2, ER.23.2, HOW.1, C.15, and C.16

Local Law or Code Requirement

Factories Act 1948 – Hours of work; FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER 23.2; Hours of Work Benchmark HOW.1 and HOW.5; Compensation Benchmarks C.15 and C.16)

Recommendations for Immediate Action

Ensure complete transparency when sharing information on hours of work.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. There is no special category workers present in our factory, However we shall update the policy on Hours of work with a clause business circumstances.

We shall update our policy on working hours with a clause about working hours conditions for special category workers if we have these workers in future.

2. There is no overtime in practice in our factory.

We already have a policy on overtime, which clearly indicates that all overtimes will be voluntary & will be calculated as per legal overtime rates, if case, there is any.

We have communicated this information clearly to everyone via Worker's Commiitee Meeting. Please refer the attachment 02.

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. There is a policy titled "Freedom of Association;" however, contents in the document pertain to addressing grievances and not to Freedom of Association and Industrial Relations. The policy mentions the formation of "Works Committee," but the content of the statement indicates objective for addressing grievances. There are no written procedures on Freedom of Association and Industrial Relations. Written procedures attached with the policy on Freedom of Association define procedures for reporting grievances and not for the formation of a Works Committee. ER.1
2. Abstracts of the relevant labor laws are displayed too high for workers to read. Legal abstracts on the legal termination gratuity and maternity are not in the local language (Hindi). The amended abstract of the Maternity Benefit Act is not displayed. FOA.1
3. The works committee exists on paper, but not in practice. Legally required procedures have not been followed for the formation of the works committee, and the committee is not functional. The factory has not displayed notifications to the workforce about the formation of the committee, or held elections for the committee. FOA.1 and FOA.11
4. Management does not communicate to workers about Freedom of Association and Industrial relations. ER.1

Local Law or Code Requirement

Industrial Disputes Act 1947- Constituting works Committee; FLA Workplace Code (Employment Relationship Benchmark ER.1, Freedom of Association Benchmarks FOA.1 and FOA.11)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We shall revise the policy on Freedom of Association as per standards.

Now we have updated the policy of Freedom of Association & a complete procedure about formation of workers Committee & worker rights. We have newly formed Workers' Committee based on election procedure held on Dec 16, 2017. Notices were given to workers on Nov 15, 2017 about the formation of New Committee & they were requested to file their nominations by Dec 10, 2017."

2. Height of Abstracts is being re arranged, We are purchasing all the updated Abstracts in Local Language to display.

3. We shall form the Works Committee as per the legally required procedures through the elections.

4. We shall conduct the training about freedom of Association & Industrial Relations.

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. There are no written policies and procedures on Workplace Conduct & Discipline; however, information on misconduct and related disciplinary action is included in the certified standing order. The information in the standing orders does not include procedures to record all verbal warnings and disciplinary actions and maintain required documentation. ER.27.1

2. Workers are not aware of workplace rules and disciplinary procedures. Some information on misconduct and related disciplinary action is posted in the sampling section, but no training is provided. ER.27.2

3. Verbal warnings are not documented. ER.27.3.3.

4. Written warnings are not issued to workers for unauthorized absences, as legally required. A warning letter was issued to a worker who stopped reporting for work on July 31, 2015 and a written warning letter was posted to the worker's home address on Dec 1, 2015. Thus far, follow up action has not been taken. The warning letter was filed separately, and not in the worker's personnel file. ER.27.3.3 and ER.27.3.4

Local Law or Code Requirement

Industrial Employment (Standing Orders) Act, 1946; FLA workplace Code (Employment Relationship Benchmark ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We shall revise the policy on Workplace Conduct & Discipline with all related information. We have created a new policy & procedures on Disciplinary Actions. 2. After creation of policy we shall conduct proper training & communicate its content to all workers. 3. We shall document all Verbal & written warnings regarding disciplinary action in their individual files. 4. We shall document all Verbal & written warnings regarding disciplinary action in their individual files.

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

The factory has established a sexual harassment prevention committee, but the existing system is not in compliance with legal requirements. The name of the committee is not in compliance with the law, it should be called the "Internal complaints committee." There is no evidence to suggest that members of the committee were elected. There is no evidence to suggest that management maintains zero tolerance policy on workplace harassment; there is no such policy or procedure defined. There has been no training on

workplace harassment. Penal consequences as mentioned in the Act, were not posted for workers' knowledge as required under law. ER.25.3 ER.27.2, and H/A.1

Local Law or Code Requirement

The Sexual Harassment of Women at Workplace Act 2013; FLA Workplace Code (Employment Relationship Benchmarks ER.25.3 and ER.27.2; Harassment or Abuse Benchmark H/A.1)

Recommendations for Immediate Action

Form the harassment prevention committee, as per legal guidelines.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We have revised the name of sexual harassment prevention committee to Internal Complain Committee ("ICC") as per legally required. We are conducting quarterly trainings & members of committee are elected through a NGO.

We understand that as per legal requirement, there is no such elected worker's concept. All Female workers working in the factory are part of this Internal Complain Committee ("ICC").

Penal consequence Poster is posted on the Notice Board clearly indicating all workers for such offense. Also, note that we will be carrying out a Workshop & Awareness program in First week of Feb 2018 for all employees for sensitizing employees with Provisions of the Act."

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The factory does not have a written Grievance policy. There is a written procedure; however it is not complete: ER.25
 - a. The English and Hindi versions of the procedure to handle grievances (as displayed in the notice board and entrance area) are different. For instance, the English version suggests a timeline for raising and addressing complaints, while the Hindi version does not.
 - b. The grievance procedure does not include anything about the grievance committee.
 - c. There is no policy on non-retaliation.
 - d. The records of Grievance Committee meetings, contained details of the training conducted for workers, but no trainings were actually conducted.
2. Though the factory has maintained Grievance Committee records and suggestion boxes, the grievance system is not effective. Workers are unaware of the Grievance Committee. No grievance has ever been reported through any of the available channels, which suggests that the workers are either not aware of, or are not comfortable using, the system. ER.25
3. Suggestion boxes are provided in locations which were not discreet, like inside the security guard room, production area, and behind the effluent treatment plant. CCTV cameras are installed in all of these locations. None of the boxes have a procedural display of the policy, and there was no evidence to suggest grievance procedures include workers and worker representative's. ER.25
4. While there are no documented grievances reported, complaints pertaining to untidy washrooms or lunch tables were reported verbally and addressed. There are records of meetings conducted by the Grievance Committee, but there is no list of grievances reported and addressed by the committee. ER.2

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We shall revise the Grievance policy & procedures in both languages English & Hindi for display. Include the all information & in general

assembly meeting we shall communicate it to the workers, which will be properly documented & committee meetings will be conducted periodically.

All policies are updated in both languages with same content & training are provided to the workers about updated policies.

2. We shall make awareness training among the workers regarding suggestion boxes & grievance committee.
3. We shall re arrange the locations of suggestion boxes away from the CCTV Cameras & Procedure of grievance handling will be displayed near every Suggestion Box.
4. We shall make proper documentation for all grievances reported, either verbally or written.

FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. A policy on environment protection is available in Hindi (language understood by majority of the workers); however, it is recommended that factory maintain a copy of it in English as well. Management has not signed the environmental protection policy. The written procedures do not include steps for workers to raise environmental concerns, report environmental emergencies, and protections for workers who allege environmental violations. HSE.1
2. The factory does not have records pertaining to disposal of waste materials like paper, plastic, electronic waste, and garbage. HSE.4
3. Some solid wastes like scraps, garbage, used chemical containers and debris were seen lying nearby the drinking water facility and effluent treatment plant. HSE.1 and HSE 9.1
4. Waste material is not segregated properly based on type of material. Waste and used carton boxes, used chemical containers, and garbage are all stored together. Hazardous waste, like fluorescent lights, are stored with non-hazardous waste. HSE 9.1

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.4, and HSE.9.1)

Recommendations for Immediate Action

1. Ensure that all waste is properly stored in a designated section, away from water sources and treatment.
2. Segregate waste material prior to storing; segregate hazardous and non-hazardous material.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The policy on Environmental protection is now available in English & signed by the management. Now we shall make written procedures for workers to raise environmental concerns, report environmental emergencies, and protections for workers.
2. We have a contract with M/s Bharat Oil & waste Management Ltd. to dispose the waste material on timely basis. Now we shall make proper inventory of waste & garbage.

The Contract agreed between the Parties is about Hazardous type waste i.e. Fused Tube Lights, ETP Sludge, Used Oil etc. We are sending the wastes for disposing on quarterly basis.

Since these wastes are not hazardous wastes, we have regular vendors to whom we sell these either monthly or bi-monthly depending upon availability and we don't have any agreement or record for this.

3. All scrapes garbage & chemical containers are disposed now.
4. We shall provide designated area for Waste material where Hazardous & non hazardous waste stored separately.

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. An MSDS is available for Amyl, Solvent, and Acetone, but not for lime, alum, and polyelectrolyte. The MSDS available do not contain information on the PPE to be used when handling the chemical. No risk assessment has been conducted for chemical safety. The chemical inventory does not contain information on the departments where chemicals are used and the their associated hazards. HSE.10
2. While an accident register is kept, no records are kept for the first aid usage. The factory does not have an illness register. HSE.1 and ER.31.2.5
3. Specific responsibilities for fire safety are not assigned. The pictures attached to the mock fire drill logs do not have any dates, therefore, assessors could not corroborate the fire drill log. ER.31.2.3
4. A wall in the fabric storage area, and a wall in the basement cutting section have stains from water seepage. Work areas are legally required to be periodically lime washed and cleaned. HSE.19
5. The factory does not have the competency certificate for inspector who has issued building stability certificate. HSE.1

Local Law or Code Requirement

Factories Act 1948 - section 6 (a); FLA workplace Code (Employment Relationship Benchmarks ER.31.2; Health & Safety Benchmarks HSE.1, HSE.10, and HSE.19)

Recommendations for Immediate Action

1. Obtain complete MSDS for all chemicals.
2. Clean the walls of all work areas on a regular basis.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Now MSDS for lime, alum & Polyelectrolyte is pasted near ETP Plant & their Storage Area. We shall conduct risk assessment for chemical safety & make proper inventory for chemicals used in all departments

All MSDS forms are available in local language. Completed on 31-12-2017.

2. We have prepared a register for first usages & illness.

3. At the time of next mock drill we shall assign the specific responsibilities for all fire fighters. Also pictures of mock drill will have date on it.

FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. MSDS are not displayed in the stain removing area where chemicals are used. The stain removing area does not have an eyewash facility or spill kit is provided in the stain removing or chemical storage areas. Chemical containers are not labeled with their contents and hazards in either the stain removing area or chemical storage area. The factory does not have an alarm notification system for chemical leaks. HSE.9 and HSE.10
2. Housekeeping standards were poor in the cutting area, and waste ends were left laying on the floor. HSE.19
3. Earplugs are not used by workers in the embroidery section, hand gloves are not used by workers removing stains, and dust masks are not used by workers in cutting and sewing sections. The issue records for PPE is incomplete after February 2017. Additionally, entries reflected PPE being issued, but workers had not signed to acknowledge the receipt of PPE. HSE.7
4. Rest areas and anti-fatigue mats are not provided for workers with standing jobs. Workers with sitting jobs use hard stools without backrest, which can cause bodily injury. HSE.17
5. Factory has not implemented a lockout-tagout program. HSE.14
6. Workers working at heights are not provided with helmets. HSE.7

7. Two fire extinguishers (located near the security room) did not have details pertaining to date of refill, and one fire extinguisher located in the fabric storage area due for refill after 14th May 2017 had not been refilled. Most of the fire extinguishers were mounted too high for quick and easy usage. Access to extinguisher near the effluent treatment plant area was blocked by a pipeline. HSE.6
8. The evacuation floor marking in the sampling section are faded, and the evacuation route does not lead to exit, instead it points towards the boilers and a closed wall. Evacuation routes are blocked with garments in the sewing, finishing, and packing sections. There is a difference in height of floor level between two cutting rooms located in the basement that is not highlighted to warn workers. One of the three emergency lights in the cutting section, does not function, and no emergency light is installed above the exit door from side entrance to the building. HSE.5
9. Pictures of workers trained in firefighting posted on the walls and work areas are not updated. One worker who is pictured is no longer employed at the factory. HSE.5
10. Soap and hand drying facilities are not provided in the toilets. The men's toilet does not have dustbins. HSE.19
11. The factory does not have the legally required childcare facility. HSE.1
12. The first aid boxes do not contain gloves and wood splints. The contents of the first aid boxes are not displayed nearby. HSE.18.3
13. Instructions posted near the drinking water station have faded, the instructions now direct workers to use the station in an unsafe manner. HSE.1
14. Spittoons are not provided in the factory, as legally required. HSE.1
15. Overhead hanging lights are installed very close under ceiling fans in the cutting section. HSE.13
16. Some workers were eating lunch in the production area, instead of the designated lunch areas. HSE.1
17. Safety instructions are not posted near machinery. HSE.14.3

Local Law or Code Requirement

Factories Act 1948 - sections 6(f) , 7(d) and 7 (g), Maternity benefit (amended) Act 2015.; FLA workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.6, HSE.7, HSE.9, HSE.10, HSE.13, HSE.14, HSE.17, HSE.18.3, and HSE.19)

Recommendations for Immediate Action

1. Display MSDS, in the local language, at the stain removing areas.
2. Improve housekeeping standards in the cutting section.
3. Monitor and ensure workers use PPE as required, and maintain complete records for PPE provided.
4. Provide rest areas for workers with standing jobs so they can take rest at intervals. Provide anti-fatigue mats for standing workers. Make appropriate seating arrangements for workers with sitting jobs to reduce bodily injury.
5. Implement a lockout-tagout system for maintenance work.
6. Provide helmets and train workers in their use when working at heights.
7. Update and maintain the refill dates of fire extinguishers. Mount fire extinguishers at convenient heights so they are easily reachable.
8. Remark evacuation routes to point to the nearest exit.
9. Provide soap and hand drying facilities in toilets.
10. Provide a childcare facility.
11. Provide hand gloves and wood splints in the first aid kits.
12. Repost safety instructions near drinking water stations that have faded.
13. Provide spittoons in the factory.
14. Reinstall overhead hanging lights farther from fans in the cutting section to avoid accidents.
15. Educate and monitor workers to ensure that they eat lunch in dining areas and not at work stations.
16. Update the pictures of workers trained in handling fire-fighting equipment.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. MSDS for all chemicals is displayed in spot removing section & all chemical container are labeled with contents & hazards. Eyewash facility is available near chemical storage area.

We are in process of setting up a Chemical Spill Kit in the Spotting area by end of Jan 2018. We have amended our Policy & Procedure to add a Checklist to keep a leak check on Daily Basis by concerned Chemical Handling person before going from the factory premises in the evening & as first work in morning to ensure that Chemical Leaks are avoided completely. "

2. Now we have maintained the good housekeeping standards in the cutting section by keeping one person on each floor.
3. We will be conducting a proper PPE training for all such employees & they will be guided to take & wear proper PPEs like Earplugs, Hand Gloves & dust masks on time & regular basis. And proper inventory of issue- Receiving the PPE is recorded with signatures of workers.
4. We have reviewed the observation & understand the requirement. However, we would like to inform that as a common practice, we have seen the same kind of stools to be used in most of factories. We can add some cushioning on seat of stool at the initial stage so that it is comfortable for all workers.

We completely understand & abide by the requirements mentioned in standard, however, we have added cushioning on seats of stools at this stage so that it is comfortable for all workers to work while sitting comfortably. We are also planning to phase out the stools & add new chairs with Back Rests so that over period of next year we will have all adjustable chairs.

Please note that antifatigue mats for standing workers will be done within this month.

Addition of new Stools with Back rests and phasing out old stools will start within this month & will be completed over a period of next 6 months."

5. We would request you to please explain about this program.

We have reviewed the fact sheet & we understand that such kind of safety procedure is applicable for heavy machinery where workers are exposed to lot of hazardous sources.

As per our understanding, machinery used here don't fall in such dangerous machinery category.

However, to control proper check on all Equipment's/ Machinery, we have prepared a Policy & Procedure, implementation, training to Key responsible person - On Preventive Action Plan ensuring proper maintenance of all machinery & equipment's on regular basis.

6. For this, we would like to update you that there are 2 Electricians in the factory who do this kind of work at heights, we would purchase helmets for them as safety requirement immediately.

7. Now all fire extinguishers are completely updated with all required information & properly accessible.

8. Now all evacuation routes are clearly visible & free from blockage in every section. All emergency lights are working properly. Height difference in cutting section is highlighted with a sign board.

Emergency Light is placed in that place.

9. Now all List of firefighters & First Aiders are updated with current information.

10. Soap is provided in all toilets.

Dustbins are available in every male & female toilets.

11. Childcare facility is required if 50 or more female workers are present in the factory as per legal requirements. There is only 33 Female workers Employed in our Factory.

We are in process of setting up Child Care facility & will be completed by Feb 15, 2018.

12. Now all first aid boxes are updated with required things & content list.

13. Instruction are re arranged now.

14. We shall provide small dustbins in all section using as spittoons.

15. We shall re arrange the gap between Hanging lights & ceiling fans in cutting Section.

16. Workers are educated to have lunch in designated area.

17. We shall post the safety instructions near all machineries.

FINDING NO.13

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The written procedures on Health & Safety only include chemical safety pertaining to handling and storage of chemicals, but not a complete chemical inventory. Information on MSDS is not provided and the 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. ER.31 and HSE.9
2. There are no written procedures for the use of PPE, fire safety, machine safety, and electrical safety. HSE.5
3. There are no written Standard Operating Procedures (SOPs) for each job with a focus on performing the job safely, measures to protect the reproductive health of workers through minimizing exposure to workplace hazards, steps for workers to raise health and safety concerns, protection against retaliation for workers who raise health and safety concerns, a list of equipment and machines that require lockout-tagout, and what workers should do in case of injury. HSE.12 and ND.8
4. The factory does have any guidance documents for external contractors and service providers concerning health and safety. ER.31

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.5, HSE.9, and HSE.12; Nondiscrimination Benchmark ND.8)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We shall make a complete procedure for chemical safety which includes complete inventory of chemicals, Steps to follow in case of accidental chemical spill & person responsible for cleaning.
 2. We are providing complete training to workers about PPE, Machine safety & Electrical safety. We shall make the written procedures for above.
 3. There are some SOPs available in the factory, we shall make the SOPs for all jobs regarding safety concerns.
- We ensure that all required information is included in the SOPs.
4. We shall prepare the all related documents for health & safety for Contact workers & service providers.

FINDING NO.14

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

- 1.The factory does not have a written policy on Termination. The document termed “Retrenchment Policy” defines retrenchment as termination for reasons other than act of disciplinary action. ER.32
- 2.There are no written procedures on Termination and Retrenchment, but there is statement committing to paying legally required dues to terminated workers. ER.1 and ER.32

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

We are in process to create a policy on Termination & retrenchment. 2. We are in process to create a complete procedure on Termination & retrenchment.