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## INDEPENDENT EXTERNAL ASSESSMENT REPORT



### Verification Assessment

COMPANIES: Fast Retailing Co., Ltd.  
COUNTRY: Bangladesh  
ASSESSMENT DATE: 10/08/18  
ASSESSOR: Insync Global  
PRODUCTS: Apparel  
NUMBER OF WORKERS: 10539

## 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.

## Previous Report Findings and Verification Results

### PREVIOUS FINDING NO.1

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Policies & Procedures (Macro)

##### Finding Explanation

1. The factory does not have formal written policies on the following Employment Functions: Personnel Development; Industrial Relations; and Retrenchment. 2. The factory does not have formal written procedures on the following Employment Functions: Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Termination & Retrenchment; Industrial Relations; and Environmental Protection. However, there are some documents and systems in place to manage Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination, and Environmental Protection.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.19, ER.23, ER.25, ER.28, ER.29, ER.30, and ER.32)

#### VERIFICATION RESULT

##### Finding Status

Remediated

##### Remediation Details

###### 1. Finding Status (Remediated)

Explanation: The factory has developed written policies for Personnel Development, Industrial Relations, and Retrenchment.

###### 2. Finding Status (Remediated)

Explanation: The factory has developed written procedures on the following Employment Functions: Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Termination & Retrenchment; Industrial Relations; and Environmental Protection.

### PREVIOUS FINDING NO.2

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Training (Macro)

#### Finding Explanation

1. The orientation program covers the Termination & Retrenchment, Workplace Conduct & Discipline, and Grievance System policies, but does not cover the procedures. Management stated that orientation covers the Termination process, but the list of topics covered in the orientation program did not include Termination.
2. The factory does not provide ongoing training to workers on the following Employment Functions: Recruitment, Hiring & Personnel Development, Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Environmental Protection. Furthermore, only 1,569 out of 8,689 workers (18%) have received Grievance System training and the training calendar does not define the plan to cover 100% of workers.
3. Periodic Health & Safety training programs are conducted. In the 12 months prior to the assessment, 15% of workers were trained on general Health & Safety, 11% of workers received specific training on the use of PPE, and 67% of maintenance staff were trained on maintenance safety. The factory plans to train all workers, but no training calendar has been prepared. Workers are not trained on proper lifting techniques and no training is provided to workers who must enter confined spaces.
4. The factory has a training program for supervisors, but the training does not cover the following Employment Functions: Recruitment, Hiring & Personnel Development; Termination & Retrenchment; Industrial Relations; Environmental Protection. Some limited awareness of the grievance handling procedures is provided. So far, 117 out of 208 supervisors have received this training. The quality of the training program is questionable, though, as it includes a topic termed "no precarious employment," which no one on the HR team could define. They stated that it was mentioned in one of their customers' code of conduct and was therefore used by the factory as well.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.15, and ER.17; Health, Safety & Environment Benchmarks HSE.8, HSE.14, and HSE.17)

## VERIFICATION RESULT

#### Finding Status

Partially Remediated

#### Remediation Details

##### 1. Finding Status (Remediated)

Explanation: The orientation training provided to new workers cover the policies and procedures for all Employment Functions, including Termination. However, the orientation training program only provides basic information. More details are provided during the motivational training programs (ongoing trainings) conducted for employees. The workers interviewed were aware of the factory's policies and procedures.

##### 2. Finding Status (Partially Remediated)

Explanation: According to the factory's training calendar, 100% of workers will be trained by December 2019. So far, 46% of workers have attended the factory's motivational training program which covers all Employment Functions. [ER.1, ER.15, ER.28]

##### 3. Finding Status (Partially Remediated)

Explanation: According to the factory's training calendar, 100% of workers will be trained by December 2019. At the time of the assessment, however, only 23% of workers had been trained on the use of PPE, 9% had been trained on chemical management, and 14% had been trained on general Health & Safety. The factory has trained the relevant workers on lifting techniques and how to work safely in confined spaces. [ER.1, HSE.5, HSE.8, HSE.14]

##### 4. Finding Status (Partially Remediated)

Explanation: The motivational training provided to supervisors covers the following Employment Functions: Recruitment and Personnel Development; Compensation; Hours of Work; Workplace Conduct & Discipline; Industrial Relations; Grievance System; and Termination & Retrenchment. A different training on waste management (environmental protection) and PPE is provided separately. At the time of the assessment, 72% of supervisors and managers had been trained. [ER.1, ER.17, ER.27]

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, ER.27, and ER.28; Health, Safety & Environment Benchmarks HSE.5, HSE.8, and HSE.14)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Completed

2. Already 50% worker has completed motivational training. Every month approximately 4% workers will attend the training program, by which facility will ensure the total participation of workforce and complete by December, 2019.
3. According to our training calendar facility will organize the training program(s) and ensuring the participation of work force and complete all session by December, 2019.
4. Facility will cover the training program for other 28% workforce by following training calendar, which has been prepared already by management. Every month facility conducts the motivational training program for mid-level management.

Planned completion date

05/20/17

Company Action Plan Update

1. Completed
2. 12/31/2019
3. 12/31/2019
4. 12/31/2019

## PREVIOUS FINDING NO.3

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The factory does not communicate the Recruitment, Hiring & Personnel Development, Retrenchment, Industrial Relations, Grievance System, or Environmental Protection policies and procedures and their updates to the general workforce.
2. The factory does not fully communicate with the general workforce on Hours of Work, specifically regarding extraordinary business circumstances or other conditions that impact the workforce.
3. The worker integration component is missing across all Employment Functions. This indicates that the factory has not established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.25, ER.29, and ER.30)

### VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: The factory communicates the Recruitment, Hiring & Personnel Development, Retrenchment, Industrial Relations, Grievance System, and Environmental Protection policies and procedures to the general workforce during the motivational training program. The Grievance System and Workplace Conduct & Discipline procedures are posted on the notice board. The Compensation, Hours of Work, Grievance System, and Workplace Conduct & Discipline procedures are included in the employee hand book. Updates are communicated using the Public Address system installed in all work areas and through notices posted on the notice board. The workers interviewed were aware of the factory's procedures.

2. Finding Status (Remediated)

Explanation: The factory's Hours of Work policy and procedures include information on how extraordinary business circumstances could impact the workforce. These policies and procedures are communicated during the motivational training programs.

### 3. Finding Status (Not Remediated)

Explanation: The factory has not established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes. For example, the factory charges 10% interest on loans provided to workers from their Provident Fund account. The decision to charge 10% interest was not discussed with workers prior to implementation. The workers interviewed were aware that they would need to pay interest if they took out a loan from their Provident Fund account. [ER.1, ER.25]

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.25)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Completed

2. Completed

3. We are following the BEPZA Provident Fund Policy and as per that policy both management & workers are members in the PF trustee Deed. All this decision including PF loan interest rate has finalized & taken by Trustee Board. However, we have included this issue in the induction training manual to train the general workers in this issue.

#### Planned completion date

05/20/17

#### Company Action Plan Update

1. Completed

2. Completed

3. 12/31/2019

## PREVIOUS FINDING NO.4

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Review Process (Macro)

#### Finding Explanation

The factory has not reviewed any of its policies or procedures on any of the Employment Functions since they were first created. No review periods have been defined.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.29, ER.30, and ER.31)

## VERIFICATION RESULT

#### Finding Status

Remediated

#### Remediation Details

1. Finding Status (Remediated)

Explanation: The factory reviews and updates its policies and procedures on a yearly basis. They were last updated on January 1, 2018 and the next review date is January 1, 2019.

## IMMEDIATE ACTION REQUIRED

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

#### Finding Explanation

1. New workers' probationary period, as stated on workers' employment contracts, is four months long. This complies with the Bangladesh Export Processing Zone Authority (BEPZA), but does not comply with FLA requirements. In practice, however, workers' probationary period is actually six months long, as the factory does not confirm permanent employment until six months after hiring. This practice does not comply with BEPZA or FLA requirements.
2. The factory requires new recruits to obtain an age certificate from an external doctor and provide a copy of their national identity cards. The cost for these documents is borne by the recruits.

#### Local Law or Code Requirement

FLA Workplace Code (Compensation Benchmark C.3; Employment Relationship Benchmark ER.6)

#### Recommendations for Immediate Action

1. Change all existing workers' probation periods to three months and sign contracts with new workers with a three month probation period at most. Confirm permanent employment status after the completion of a three-month probation period.
2. Review the requirement for new recruits to obtain an age certificate from an external doctor and make appropriate arrangements for certificates to be obtained at no cost to recruits. Reimburse any new workers who have paid for age certificates within the last 12 months.

## VERIFICATION RESULT

#### Finding Status

Partially Remediated

#### Remediation Details

##### 1. Finding Status (Partially Remediated)

Explanation: The appointment letter provided to workers hired in 2018 states that the probation period is four months long, which is in line with BEPZA guidelines but not with the FLA's standards on probation periods. [C.3]

##### 2. Finding Status (Remediated)

Explanation: Workers do not need to provide any certificates from an external doctor. As a regular practice, a copy of the national identify card is reviewed. If the worker does not have the card readily available, the factory doctor can examine the person to confirm age. Workers no longer have to obtain an age certificate from an external doctor. The workers interviewed confirmed this practice.

#### Local Law or Code Requirement

FLA Workplace Code (Compensation Benchmark C.3)

#### Recommendations for Immediate Action

1. Change all existing workers' probation periods to three months and sign contracts with new workers with a three-month probation period at most. Confirm workers' permanent employment status after the completion of a three-month probation period.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Currently facility is following the EPZ Labour Law 2019 and the issue is completed since March 2019.
2. Completed

#### Planned completion date

05/20/17

#### Company Action Plan Update

1. Completed

2. Completed

## PREVIOUS FINDING NO.6

### SUSTAINABLE IMPROVEMENT REQUIRED

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

##### Finding Explanation

1. The written agreement (contract) between the factory and the canteen service provider does not impart power to the factory to pay the contract workers' salaries. Therefore the factory does not have a direct employment relationship with the contract workers. Furthermore, the contract between the factory and canteen service provider does not require that workers be provided 24 hours of rest in every seven-day period, nor does it define the maximum hours of work, the minimum wage and overtime payments, minimum age requirements, or Health & Safety requirements. However, there were no issues in practice.

2. Probationary workers do not receive performance reviews.

3. Workers are not promoted in a fair and transparent way. Supervisors verbally recommend workers to the industrial engineering team, who then conduct an in-depth technical performance evaluation. The results are forwarded to the production team, who conduct their own evaluation of the worker's technical knowledge and performance. If the results are satisfactory, they are forwarded to the HR team. Workers are then promoted based on the outcome of these evaluations. However, the performance evaluation sheets do not include any information regarding the period during which the evaluation was conducted, the worker's efficiency scores, work performance, or the grades obtained. The worker's total score (out of 100), which should be used to recommend workers for promotion, is not provided either. Furthermore, none of the ten randomly sampled performance evaluation sheets were signed by the a supervisor or the worker. Workers are informed of the results verbally. There is no evidence that workers are given the opportunity to provide feedback.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.6, ER.29, and ER.30; Nondiscrimination Benchmark ND.2)

### VERIFICATION RESULT

##### Finding Status

Partially Remediated

##### Remediation Details

###### 1. Finding Status (Not Remediated)

Explanation: The factory's agreement with the canteen service provider still does not impart power to the factory to pay the contract workers' salaries. Therefore, the factory does not have a direct employment relationship with the contract workers. Furthermore, the contract between the factory and canteen service provider does not require that workers be provided 24 hours of rest in every seven-day period, nor does it define the maximum hours of work, the minimum wage and overtime payments, minimum age requirements, or Health & Safety requirements. [ER.6, ER.11]

###### 2. Finding Status (Not Remediated)

Explanation: Probationary workers do not receive performance reviews. [ER.29]

###### 3. Finding Status (Partially Remediated)

Explanation: Management stated that the Industrial Engineering department, Production Manager, and Human Resources (HR) team evaluates the performance of workers from all production areas except the cutting section.

The evaluation sheets completed by the HR team for workers from the sewing and finishing sections and the wet and dry processing sections are maintained in the workers' personnel files and are signed by the evaluator, worker, and Production Manager. The evaluation sheets completed by the Industrial Engineering team for workers from the sewing and finishing sections are also maintained in the workers' personnel files, however, they are not signed by the evaluator, worker, or Production Manager. Promotion and wage increase proposals are based on the workers' efficiency scores. The evaluation sheets completed by the Industrial Engineering team for workers from the wet and dry processing sections are not maintained in the workers' personnel files, although the workers' efficiency scores are recorded in the promotion and wage increase proposals. The efficiency scores calculations and evaluation process are fair, transparent, and understandable. [ER.29, ER.30]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.6, ER.11, ER.29, and ER.30)



## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. At present factory keeps a policy & procedure regarding employment relationship with the contract workers. Also we have renewed the agreement with canteen service provider where the maximum working hours, rest in every 7 day period, minimum wages, overtime payment, minimum age requirement and health & safety issues are mentioned.
2. Not Applicable as it has been clearly mentioned in the appointment letter that if no letter is issued before confirmation date the service will be treated as automatically confirmed. FLA also agreed.
3. We keep practicing the performance evaluation system for all production areas including cutting section recently. Besides the evaluation sheets for workers' of dry & wet process are maintained in workers' personnel file.

#### Planned completion date

05/20/17

#### Company Action Plan Update

1. Completed
2. Completed
3. Completed

## PREVIOUS FINDING NO.7

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Compensation

#### Finding Explanation

1. During the factory tour, assessors noted that all 30 workers from the fusing department, seven randomly selected workers from the sewing department, and two randomly selected workers from the 3D section are designated as helpers on their ID cards, but were operating fusing machines, stapler machines, and 3D machines. A review of employment documents and pay records from October 2016 showed that these workers were originally hired as helpers with a monthly salary of BDT 5,600 (USD 70.98). The workers operating stapler machines and 3D machines were still being paid BDT 5,600 (USD 70.98) per month; but the workers operating fusing machines had their wages increased to BDT 6,104 (USD 77.36) per month. Legally, all of these workers should be paid BDT 6,440 (USD 81.62) and have their designations changed to junior operators due to the nature of their work.
2. Wage records are not maintained for outsourced Canteen workers.

#### Local Law or Code Requirement

Bangladesh Export Processing Zone Authority Circular No. 2065, dated December 24, 2013; FLA Workplace Code (Compensation Benchmarks C.1, C.2, and C.15; Employment Relationship Benchmark ER.2)

#### Recommendations for Immediate Action

1. Designate the workers operating fusing, stapler, and 3D machines as junior operators. Pay these workers the legally required wages for their skill level.
2. Maintain wage records pertaining to the three outsourced Canteen workers. Make these records available to assessors upon request.

## VERIFICATION RESULT

#### Finding Status

Remediated



#### Remediation Details

##### 1. Finding Status (Remediated)

Explanation: Workers are paid the applicable wage for the nature of their job. No discrepancies were noted.

##### 2. Finding Status (Remediated)

Explanation: The factory maintains the wage records of all three canteen workers and made them available for review.

## PREVIOUS FINDING NO.8

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Compensation

#### Finding Explanation

1. According to the factory's records (last updated on November 6, 2016) 13,148 employees are covered with life insurance; however, there are currently only 11,457 employees working in the factory. Former employees have not been removed from the list of covered employees, as required by law.

2. Monetary incentives are provided to workers from all departments, but there are no defined criteria for providing incentives and no documentation is maintained. Department heads and supervisors grade workers on their performance, based on which the HR team provides incentives.

3. The Compensation policy simply states that wages will be paid per the Bangladesh Export Processing Zone directions. No details are provided on the wages that will be paid based on skill level, pay periods and pay days, the payment of attendance and tiffin allowances, the provision of food allowances if workers work more than two hours of overtime, or the conditions for the conveyance (commuter) allowance.

#### Local Law or Code Requirement

Bagladesh Labour Act 2006, Section 99; FLA Workplace Code (Compensation Benchmarks C.1 and C.17; Employment Relationship Benchmarks ER.1 and ER.2)

## VERIFICATION RESULT

#### Finding Status

Partially Remediated

#### Remediation Details

##### 1. Finding Status (Remediated)

Explanation: The employee list has been updated and premium payment records show that 100% of eligible workers are insured by a private third-party insurance company.

##### 2. Finding Status (Partially Remediated)

Explanation: Monetary incentives are provided to workers from all sewing-related departments. The written policy and procedures on production incentives state that incentive of Taka 60 (0.71 USD) for sewing machine operator, Q.C and mechanics, Taka 20 (0.24 USD) for ironers and helpers, Taka 80 (0.90 USD) for supervisors, executive and QA but do not define the calculation methods. These amounts are calculated based on daily targets achieved per operation for each style and paid monthly with wages. Information in calculation is communicated verbally to workers and workers were aware. Therefore, the calculation of incentives is not defined in writing for clear understanding. Specific training on the above is not conducted. [ER.1, C.17]

##### 3. Finding Status (Remediated)

Explanation: The Compensation policy and procedures provide information on wages, pay periods, and pay days (though the exact dates are not defined), the payment of attendance and tiffin allowances, the provision of food allowances if workers work more than two hours of overtime, or the conditions for the conveyance (commuter) allowance.

#### Local Law or Code Requirement

FLA Workplace Code (Compensation Benchmark C.17; Employment Relationship Benchmark ER.1)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Completed

2. Currently we are maintaining a policy regarding monetary incentive where the calculation method is defined & clearly shown. As per our company policy factory is paying incentive only for sewing related departments. Concern area is providing specific training to sewing related workers about paying incentive and calculation method. Note that, the incentive bonus is paying based on target fill-up (up to 82%-85%)

3. Completed

Planned completion date

05/20/17

Company Action Plan Update

1. Completed

2. In progress

3. Completed

## PREVIOUS FINDING NO.9

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Hours of Work

##### Finding Explanation

1. During a review of records from October 2015, February 2016, and October 2016, assessors noted the following instances of workers working more than 60 hours per week, in violation of the FLA Code:a. In October 2015, all 10 sampled workers from the wet processing department worked 60 to 72 hours per week during the first and second weeks of the month; all five sampled workers each from the cutting and sewing departments worked 60 to 68 hours per week during the second and fourth weeks of the month; and all five sampled workers from the finishing department worked 60 to 72 hours per week during the first and third weeks of the month.b. In February 2016, all five workers each from the cutting and sewing departments worked 60 to 68 hours per week during second week of the month, and all 10 sampled workers from the finishing department worked 60 to 72 hours per week during the first and second weeks of the month.c. In October 2016, all 25 sampled workers from the wet processing department worked 60 to 81.5 hours per week during the third and fourth weeks of the month; all 10 sampled workers from the cutting department and all 15 sampled workers from the sewing department worked 60 to 68 hours per week during the second and fourth weeks of the month; all 10 sampled workers from the finishing department worked 60 to 74 hours per week during the second and fourth weeks of the month; and all five sampled workers from both the maintenance and housekeeping departments worked 60 to 88 hours per week during the second and fourth weeks of the month.

2. During a review of records from October 2015, February 2016, and October 2016, assessors noted the following instances of workers working more than 10 hours per day, in violation of local law:a. In October 2015, all 10 sampled workers from the wet processing department and five out of five sampled workers from the finishing department worked 10 to 12 hours per day on nine days in the month.b. In October 2016, 15 out of 25 sampled workers from the wet processing department worked 10 to 15 hours per day on seven to 10 days in the month. 10 out of 10 sampled workers from the finishing department and three out of five sampled workers from the maintenance department worked 10 to 15 hours per day on six days in the month.

3. The factory's working hours records do not identify pregnant and lactating workers.

4. Service books are not updated with leave information, as required by law.

5. The Hours of Work policy does not provide any information on working hours during extraordinary business circumstances, weekly rest days, break times, or the working hours for the washing section (the washing section works on two shifts).

##### Local Law or Code Requirement

Bangladesh Labour Act 2006, Sections 6, 100, and 102; FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.2, and ER.23; Hours of Work Benchmarks HOW.1, HOW.5, and HOW.8)

##### Recommendations for Immediate Action

Monitor working hours and ensure that workers do not work more than 60 hours per week and 10 hours per day.

### VERIFICATION RESULT

### Finding Status

Partially Remediated

### Remediation Details

#### 1. Finding Status (Not Remediated)

Explanation: A review of the time cards from September 2018, February 2018, and October 2017 showed that 58 sampled workers from all production processes worked 60-72 hours per week during all three months. [HOW.1, HOW.8]

#### 2. Finding Status (Remediated)

Explanation: A review of the time cards from September 2018, March 2018, and July 2017 showed that workers do not work more than 12 hours per day. This was confirmed during interviews with workers.

#### 3. Finding Status (Remediated)

Explanation: The working hours records identify pregnant workers. Currently, there are no breastfeeding workers in the factory.

#### 4. Finding Status (Remediated)

Explanation: The service books are now maintained in an electronic format and leave information is updated.

#### 5. Finding Status (Remediated)

Explanation: The Hours of Work policy provides information on working hours during extraordinary business circumstances, weekly rest days, break times, and the working hours for the washing section (the washing section works in two shifts).

### Local Law or Code Requirement

Bangladesh Labour Act 2006, Chapter IV, Section 102; FLA Workplace Code Hours of Work Benchmarks HOW.1 and HOW.8)

### Recommendations for Immediate Action

1. Monitor working hours and ensure that workers do not work more than 60 hours per week. Do not include overtime in production planning.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Facility is trying to keep maintaining the working hours within 60 hours per week by following company's production plan. Gradually we will reduce our excessive working hour and keep required timeframe. We are analyzing the working hour condition on graphically and report to concern department in every month.

2. Completed

3. Completed

4. Completed

5. Completed

#### Planned completion date

05/20/17

#### Company Action Plan Update

1. 12/31/2019

2. Completed

3. Completed

4. Completed

## PREVIOUS FINDING NO.10

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Industrial Relations

##### Finding Explanation

1. The worker representatives in the Workers Welfare Association are selected by management, not elected by workers as legally required.
2. Management interferes with the administration and daily operation of the Worker Welfare Association. Meetings are conducted based on the availability of management representatives.
3. Workers inside the export processing zone are not legally allowed to form or join unions or worker representative structures other than the Worker Welfare Association.

##### Local Law or Code Requirement

EPZ Workers' Welfare Association and Industrial Relation Act No. 43 of 2010; FLA Workplace Code (Freedom of Association Benchmarks FOA.1, FOA.2, FOA.10, and FOA.11)

### VERIFICATION RESULT

##### Finding Status

Not Remediated

##### Remediation Details

###### 1. Finding Status (Not Remediated)

Explanation: The worker representatives on the Worker Welfare Committee are selected by management, not elected by workers as legally required. The factory does not have written procedures for the formation of the committee. [FOA.1, FOA.11]

###### 2. Finding Status (Not Remediated)

Explanation: Management interferes with the administration and daily operation of the Worker Welfare Committee as the Committee includes management representatives as legally required. Meetings are conducted based on the availability of management representatives. [FOA.10]

###### 3. Finding Status (Not Remediated)

Explanation: On September 29, 2018, the HR Team used the public address system to share information on the formation of the Worker Welfare Committee. Information was also posted on the notice board to create awareness in addition to sharing information during orientation and the motivational training programs. However, workers are still not legally allowed to form or join unions. [FOA.10]

##### Local Law or Code Requirement

EPZ Workers' Welfare Association and Industrial Relation Act No. 43 of 2010; FLA Workplace Code (Freedom of Association Benchmarks FOA.1, FOA.10, and FOA.11)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. We are following the BEPZA instruction in this regard.
2. We are following the BEPZA instruction in this regard.
3. We are following the BEPZA instruction in this regard.

## PREVIOUS FINDING NO.11

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

##### Finding Explanation

1. According to factory policy, unauthorized absenteeism over 10 days is considered misconduct and attracts disciplinary action. However, in practice the factory terminates the employment of workers who are absent for more than 10 days without taking disciplinary action first. This practice does not comply with legal requirements, which state that the worker must be sent three written warning letters before their employment is terminated.
2. The factory maintains two separate sets of grievance records. One set of records is maintained for grievances received through the grievance box and a second set is maintained for grievances reported verbally. A review of the first set of records revealed that grievances pertaining to the periodic unavailability of water in toilets and unclean dining tables have been recorded, but three grievances reported on December 23, 2015, December 24, 2015, and January 17, 2016 were filed separately and were not recorded in the designated register. These grievances were all from female workers; one woman reported harassment by a supervisor (for not meeting her production target), another woman reported physical abuse by a supervisor (the worker reported that the supervisor slapped her), and a third woman reported physical abuse by a male co-worker (the worker reported that her co-worker touched her inappropriately). Disciplinary action was not documented; management stated that the concerned supervisors and the male co-worker were warned verbally. Two of the female workers resigned less than a month after filing their complaints. The third is still working in the factory. No reports of harassment or abuse have been submitted recently. Interviews with workers confirmed that no such instances have occurred within the last six months.
3. The factory does document the steps taken to address the submitted grievances, nor does it communicate to the workforce regarding the resolution of grievances.
4. The second set of grievance records includes complaints pertaining to unclean dining areas, poor quality of snacks, and poor quality of water. The record states that action was taken regarding the complaint of poor water quality, but does not state what that action was. Hence, it cannot be verified if the grievance was addressed in a sustainable manner.
5. The Workplace Conduct & Discipline procedures do not define the nature of misconduct and resulting disciplinary actions, though the same is defined in the employee handbook provided to all employees. The procedures also do not cover the timelines for taking disciplinary action, the need to record verbal warnings, or the steps for workers to appeal disciplinary actions taken against them.

##### Local Law or Code Requirement

Bangladesh Labour Act 2006, Section 23; FLA Workplace Code (Employment Relationship Benchmark ER.2 and ER.27; Harassment or Abuse Benchmarks H/A.1, H/A.4, H/A.5, H/A.8, H/A.9, and H/A.11)

##### Recommendations for Immediate Action

1. Comply with legal requirements and initiate the appropriate disciplinary actions before terminating workers for unauthorized absence.
2. Appropriately discipline all workers and supervisors who engage in harassment or abuse of workers. Maintain records of all disciplinary actions taken. Communicate to supervisors that the harassment and abuse of workers is not tolerated and will result in disciplinary action.

### VERIFICATION RESULT

##### Finding Status

Remediated

##### Remediation Details

###### 1. Finding Status (Remediated)

Explanation: The factory issues written warnings for misconduct prior to terminating a worker's employment. Samples of warning letters issued to workers were reviewed and were found to be in compliance with legal requirements.

###### 2. Finding Status (Remediated)

Explanation: All grievances are logged in the grievance registers along with information on what action was taken. Grievances are also discussed in the Grievance Committee meetings conducted once every four months.

###### 3. Finding Status (Remediated)

Explanation: The factory documents the steps taken to address grievances and communicates with the workforce regarding the resolution of grievances via posts on the notice board and announcements over the public address system. The workers interviewed confirmed these practices.

#### 4. Finding Status (Remediated)

Explanation: The second set of grievance records includes complaints pertaining to unclean dining areas, poor quality of snacks, and poor quality of water. The records provide information on what immediate actions were taken and any further actions taken to resolve the grievance in a sustainable manner.

#### 5. Finding Status (Remediated)

Explanation: The Workplace Conduct & Discipline procedures now define the nature of misconduct and the resulting disciplinary actions. The procedures also cover the timeline for taking disciplinary action, the need to record verbal warnings, and the steps for workers to appeal disciplinary actions taken against them.

### PREVIOUS FINDING NO.12

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Grievance System

##### Finding Explanation

The Grievance System procedures do not: provide any information on how or when grievances will be handled and addressed, allow the direct settlement of the grievance by the worker and the immediate supervisor, protect workers against retaliation.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.25)

#### VERIFICATION RESULT

##### Finding Status

Remediated

##### Remediation Details

#### 1. Finding Status (Remediated)

Explanation: The Grievance System procedures provide information on how and when grievances will be handled and addressed and allow the direct settlement of the grievance by the worker and their immediate supervisor. The procedures also protect workers against retaliation.

### PREVIOUS FINDING NO.13

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Environmental Protection

##### Finding Explanation

1. The Environmental Protection policy does not include a statement of the factory management's general support of energy and water efficiency, or a commitment to minimize impacts with respect to air emissions, waste, hazardous materials, and other applicable environmental risks.
2. The factory does not have any procedures to deal with an environmental emergency.
3. The documents and systems in place to manage Environmental Protection practices do not cover the environmental impact within the factory. For example, the Environmental Protection documents and systems do not include steps for the disposal of the cloth gloves used while spraying potassium permanganate (PP). The documents and systems do not include procedures that enable workers to raise environmental concerns, procedures for reporting environmental emergencies, or procedures that protect workers who allege environmental violations against retaliation, either.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmark HSE.5)

#### VERIFICATION RESULT

##### Finding Status

Remediated

#### Remediation Details

1. Finding Status (Remediated)

Explanation: The Environmental Protection policy now includes a statement of the factory management's general support of energy and water efficiency and a commitment to minimize impacts with respect to air emissions, waste, hazardous materials, and other applicable environmental risks.

2. Finding Status (Remediated)

Explanation: The factory has procedures on how to deal with environmental emergencies.

3. Finding Status (Remediated)

Explanation: The documents and systems in place to manage Environmental Protection practices cover the environmental impact within the factory, including procedures on the disposal of waste.

### PREVIOUS FINDING NO.14

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Environmental Protection

#### Finding Explanation

1. The waste material storage bins located near the entrance to staircase no. 3 are not covered and secured, and access is not restricted. Furthermore, a few broken fused tube lights and old chemical containers were seen in the bins. These items are hazardous waste and should be segregated from non-hazardous waste and stored in a well-ventilated hazardous waste storage room with restricted access.
2. An empty gas cylinder, new tube lights, polycarbonate sheets, a chemical used in the power generator (NALCO), and five barrels of acetone (two full, three empty) are stored together in a room under staircase no.3 instead of in the chemical storage room.
3. Neither secondary containment nor spill response kits are provided in the storage area under staircase no. 3 where the NALCO and acetone are stored. The factory has not provided a spill response kit near the chemical tank in the effluent treatment plant.
4. The factory has not identified whether its on-site operations generate any negative environmental impacts, nor is it making efforts to reduce its environmental impact besides reducing its energy consumption.

#### Local Law or Code Requirement

Factories Rules 1979, Section 43; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.6 and HSE.9)

#### Recommendations for Immediate Action

1. Ensure that all waste material storage bins are covered and secured. Do not store waste in the open; move waste storage bins located near staircase no. 3 to a waste storage room with restricted access.
2. Segregate hazardous waste from non-hazardous waste. Store hazardous waste (such as tube lights and old chemical containers) in a separate, well-ventilated storage room with restricted access.
3. Do not store empty gas cylinders, new tube lights, polycarbonate sheets, NALCO, and barrels of acetone under staircase no. 3. New tube lights should be stored in the electrical storage room; empty gas cylinders should be stored in a well-ventilated storage area away from any oils or chemicals; chemicals should be stored in a designated chemical storage room.
4. Provide secondary containment for all chemical containers. Provide spill response kits in every area where chemicals are used or stored.

## VERIFICATION RESULT

#### Finding Status

Remediated

#### Remediation Details

1. Finding Status (Remediated)

Explanation: Waste is segregated and stored separately. Storage bins are covered and access is restricted.

2. Finding Status (Remediated)

Explanation: The room under the staircase is no longer used for storage. It has been closed and sealed.

3. Finding Status (Remediated)

Explanation: The room under the staircase is no longer used for storage. It has been closed and sealed. A spill response kit is now provided near the chemical storage area in the effluent treatment plant.

4. Finding Status (Remediated)



Explanation: An environment impact assessment was conducted in October 2017 by a third-party company which identified the factory's negative impacts on environment and the control measures they had adopted. The factory implemented the company's recommendations.

## PREVIOUS FINDING NO.15

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The factory has not commissioned a fire risk assessment by a third-party expert. 2. Rubber floor mats, to prevent rivets from scattering, are provided under the rivet attaching machines and under seating arrangements for workers. In case of evacuation, these rubber mats could restrict the quick and easy movement of workers' stools, resulting in injury to workers. 3. Workers in the color spray section located on the first floor must stand in the evacuation aisles while spraying, since there is no space for them to work. 4. There are no warning signs posted near the elevator doors on the first, third, fourth, fifth, sixth, or seventh floors to prevent the use of the elevators in case of fire. 5. The fire hydrants and fire extinguishers located near the loading area and the exit from the washing section are blocked by trolleys and parked cars. 6. The fire hydrant system is stored in a cabinet in the back of the fabric storage room. This cabinet was partially obstructed by fabric bundles stored in front of the cabinet, making it difficult to open the cabinet doors. Mechanical and hydraulic lifters were also parked in the evacuation aisles in the fabric storage room. One trolley was chained and locked to a table, obstructing the fire cabinet. 7. The markings on the wall outside the factory indicating the emergency assembly points are not clearly visible and are obstructed by plants. 8. Pallets used to store fabric bundles and fabric bundles are placed in evacuation routes in the fabric store. 9. The aisles and evacuation routes are not marked between the hydro machines in the washing department. Garment trolleys were parked in a haphazard manner, restricting free movement and partially blocking 40% of the evacuation routes. 10. The emergency light installed near the chemical store is not functional. 11. The washing and blow out sections are congested with inadequate space for free movement of workers and trolleys carrying washed garments. 12. Convex mirrors are not installed on corners of staircases to warn workers climbing up or down the stairs in order to avoid accidental collision. 13. New recruits waiting to complete their employment documentation were standing in checking areas in the washing department and near the child care room. These workers are new and are not aware of the evacuation procedures from these work areas, which could pose a risk in case of emergency. The presence of these workers also caused overcrowding in these work areas. 14. Five of the emergency lights installed in the factory (in the PP spray section and near the 3D section) are focused towards the ceiling and not on the evacuation paths. 15. Tables were blocking access to the evacuation routes from a few areas in the sewing section, buttoning section, loop cutting and scrapping sections. Garments placed on pallets on the floor were blocking access to evacuation routes from 100% of the work areas in the stapler, blow out, and fusing sections. Workers were completely blocked in their work stations with no access to walkways. 16. Fusing workers were working with machines generating heat and current practice could result in major injuries in case of an evacuation process. 17. Assessors observed garments stored on the hot motors of the reversing machines, which poses a fire risk.

##### Local Law or Code Requirement

Bangladesh Factories Rules, Rules 37 and 51; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 HSE.5, HSE.6, and HSE.14)

##### Recommendations for Immediate Action

1. Commission a third-party expert to conduct a fire risk assessment. 2. Remove rubber mats from underneath rivet machine operators' stools. 3. Make appropriate arrangements so that workers in the color spray section on the first floor do not have to stand in the evacuation routes while spraying. 4. Post warning signs near lift doors on all floors. 5. Clear any obstructions blocking access to fire hydrants and fire extinguishers located near the loading area and the exit from the washing section. 6. Clear any obstructions blocking access to the fire cabinet in the back of the fabric storage room. Ensure that mechanical and hydraulic lifters are not parked in the evacuation aisles in the fabric storage room. 7. Repaint the markings on the wall outside the factory indicating the emergency assembly points. Trim or remove any plants that obstruct the markings. 8. Do not place pallets or fabric bundles in the evacuation routes in the fabric store. Keep evacuation routes clear at all times. 9. Mark the aisles and evacuation routes between the hydro machines in the washing department. Ensure that parked garment trolleys do not block the evacuation routes in the washing department. 10. Repair or replace the emergency light installed near the chemical store. 11. Rearrange and decongest the work areas in the washing and blow out sections so that workers and trolleys to move about freely. 12. Install convex mirrors in the corners of staircases. 13. Ensure that everyone allowed access to the work areas is aware of the evacuation procedures. Also ensure that work areas are not overcrowded. 14. Refocus the emergency lights in the PP spray section and near the 3D section so that they shine on the evacuation paths. 15. Remove any obstructions blocking access to the evacuation routes in the sewing, buttoning, loop cutting, scrapping, stapler, blow out, and fusing sections. Rearrange and decongest the work areas so that workers can leave their workstations easily and have immediate access to evacuation routes. 16. Do not store garments on the hot motors of the reversing machines. Regularly monitor for compliance.

# VERIFICATION RESULT

## Finding Status

Partially Remediated

## Remediation Details

### 1. Finding Status (Not Remediated)

Explanation: The factory has not commissioned a fire risk assessment by a third-party expert. [HSE.5]

### 2. Finding Status (Not Remediated)

Explanation: There are still mats underneath the rivet machine operators' stools which restricts the easy and rapid movement of the stools in the case of an emergency evacuation. [HSE.5]

### 3. Finding Status (Remediated)

Explanation: On the day of the assessment, no work was being done in the color splay section.

### 4. Finding Status (Remediated)

Explanation: Warning signs are now posted near the elevator doors on the first, third, fourth, fifth, sixth, and seventh floors to prevent the use of the elevators in case of fire.

### 5. Finding Status (Remediated)

Explanation: Access to the fire hydrants and fire extinguishers located near the loading area and the exit from the washing section is kept clear.

### 6. Finding Status (Remediated)

Explanation: Access to the fire cabinet is kept clear and the hydraulic lift is parked in the designated area.

### 7. Finding Status (Remediated)

Explanation: Signs marking the assembly areas outside the factory are clearly visible.

### 8. Finding Status (Remediated)

Explanation: The evacuation routes in the fabric store are kept clear.

### 9. Finding Status (Not Remediated)

Explanation: The aisles and evacuation routes between the hydro machines in the washing department are not marked. Garment trolleys were parked in a haphazard manner, restricting free movement and partially blocking 40% of the evacuation routes. [HSE.5]

### 10. Finding Status (Remediated)

Explanation: The emergency light installed near the chemical storage area is functional.

### 11. Finding Status (Not Remediated)

Explanation: The washing and blow out sections are congested with inadequate space for the free movement of workers and trolleys carrying washed garments. [HSE.5]

### 12. Finding Status (Not Remediated)

Explanation: There are no convex mirrors installed in the corners of the staircases to avoid the accidental collision of workers coming up and down the stairs. [HSE.5, HSE.6]

### 13. Finding Status (Remediated)

Explanation: The management team monitors the presence and movement of applicants waiting to complete their employment documentation. The checking section from this area has been relocated so that no work is done near the area where workers are waiting.

### 14. Finding Status (Remediated)

Explanation: There are emergency lights in the evacuation routes.

### 15. Finding Status (Remediated)

Explanation: Access to evacuation routes from the sewing, buttoning, loop cutting, scrapping, stapler, blow out, and fusing sections is kept clear.

### 16. Finding Status (Remediated)

Explanation: According to factory management this area was part of an internal risk assessment. During the factory tour, the area near the fusing machines was notable as comfortable with no excess heat and workers were seen working comfortably. The area was decongested.

#### 17. Finding Status (Remediated)

Explanation: Assessors did not see any garments stored near the motors of the reversing machines.

#### Local Law or Code Requirement

Bangladesh Factories Rules 1979, Rule 51; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.5 and HSE.6)

#### Recommendations for Immediate Action

1. Commission a third-party expert to conduct a fire risk assessment.
2. Remove the mats from underneath the rivet machine operators' stools.
3. Mark the evacuation routes between the hydro machines in the washing department in a way that will not be worn down or erased.
4. Rearrange and decongest the work areas in the washing and blow out sections so that workers and trolleys can move about freely.
5. Install convex mirrors in the corners of staircases.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Fire Safety T&C already completed the 3rd party expert consulting company including Accord/Alliance
2. We have ensured that the leg of the chair will not entered into the hole of rubber mat
3. Completed
4. Completed
5. Completed
6. Completed
7. Completed
8. Completed
9. This area is basically work station & marked with arrow indicator so that worker can come easily to the main aisle for evacuation. FR to confirm the actual situation; FR Comment (Jahidul): This aisles are easily identifiable. And the trolleys are kept only required for product movement. No Idle trolley are kept in this area which is monitored ny the factory management. So we can recommend as corrected.
10. Completed
11. Worker can easily push & remove the trolleys (Which is basically carrying work in process garments) for evacuation; FR to confirm the actual situation; FR Comment (Jahidul): The trolleys are kept only required for product movement. No Idle trolley are kept in this area which is monitored ny the factory management. So we can recommend as corrected.
12. Facility will arrange the convex mirror in the corner of the staircases to avoid the accidental collision.
13. Completed
14. Completed

15. Completed

16. Completed

17. Completed

Planned completion date

05/20/17

Company Action Plan Update

1. Not Applicable
2. <!--[endif]-->Not Applicable
3. <!--[endif]-->Completed
4. <!--[endif]-->Completed
5. <!--[endif]-->Completed
6. <!--[endif]-->Completed
7. <!--[endif]-->Completed
8. <!--[endif]-->Completed
9. <!--[endif]-->Completed
10. <!--[endif]-->Completed
11. <!--[endif]-->Completed
12. <!--[endif]-->12/31/2019
13. <!--[endif]-->Completed
14. <!--[endif]-->Completed
15. <!--[endif]-->Completed
16. <!--[endif]-->Completed
17. Completed

PREVIOUS FINDING NO.16

IMMEDIATE ACTION REQUIRED

## FINDING TYPE: Health & Safety

### Finding Explanation

1. During the assessment, one cargo elevator was being operated even though the safety door (a foldable door that is pulled in from both sides) was not operational. Based on a visual inspection, it appears that the door is never used as it is rusty and when assessors attempted to open the door it was stuck on either side. A shutter door (a door that is pulled down) installed in front of the cage door was left open (pushed up). The elevator was descending, and the area on the fifth floor in front of the elevator was left open with no safety fence installed. This poses a critical safety risk.
2. The load capacity of the elevators is marked in English on the inner sidewall of the elevators, not outside the elevators. The load capacity is not marked on the mechanical lifters or on the hydraulic stackers used in the fabric storage room.
3. There are no signs indicating whether the elevators are intended for use by passengers and/or cargo marked outside the passenger elevator and two cargo elevators situated near the accessories storage room (north side) and the finishing department (west side).
4. Safety instructions are not displayed or posted near machinery.
5. Seven of the eight hydro machines used in the washing section did not have an emergency stop mechanism. The machines continued operating when the loading lids were lifted to check the emergency stop mechanisms.
6. The needle guards on 90% of the sewing machines had been pushed upwards by sewing machine operators, rendering them ineffective.
7. Workers from the sewing and checking sections are not provided with hand gloves to prevent the fabric dye from sticking to their hands and finger nails. Dye stuck to finger nails and hands could be a health hazard as workers eat food using their hands.
8. Safety shoes are not provided to machine mechanics to prevent accidental injury by sharp tools.
9. Workers from the washing department are not provided with fully protected shoes. The half shoes they were provided are not adequate to protect the exposed skin on workers' feet from water containing chemicals that could spill while loading and unloading garments from washing machines. Furthermore, approximately 40% of the workers in the washing department, including the hydro wash section, were wearing slippers instead of the half shoes they were provided. This exposes the skin on their feet to water and chemicals.
10. Approximately 30% of workers from the hydro wash section were wearing hand gloves on one hand instead of wearing them on both hands.
11. Workers from the washing section are not provided aprons to protect their clothes from getting wet while working. Some workers had tied a piece of polythene around their waist to protect themselves from getting wet.
12. All seven workers in the PP spray section had placed their eye shields (eye glasses) on their heads instead of using them while spraying.
13. Workers applying color along stitch lines of garments were not provided hand gloves.
14. Workers from the fusing section have been provided cloth gloves that cover their hand and two fingers. These gloves do not cover the three fingers (thumb, index, and middle) used to hold a garment, which poses a burn risk for these fingers while operating the fusing machines.
15. Approximately 10% of workers from the blow out section were not using ear plugs, and approximately 15% were not using eye shields (both were provided).
16. Heat is generated in the fusing section and work stations are located adjacent to each other with inadequate ventilation.
17. Workers loading stones into the washing machines for stone wash were not provided any hand gloves.
18. Metal rivets from the rivet attaching machines were seen stuck in the floor mats posing a risk of injury to workers who might accidentally step on the rivets.

### Local Law or Code Requirement

Bangladesh Factories Rules 1979, Rules 40, 41, 42, 43, 44 and 46; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.7, HSE.8, HSE.13, and HSE.14)

### Recommendations for Immediate Action

1. Ensure safety doors and shutter doors installed in front of lifts are operational. Lifts should not be operated while doors are left open.
2. Post load capacity of lifts outside the lifts and on mechanical lifters and hydraulic stackers used in the fabric store. These postings should be in local language (Bangla).
3. Post the intended use of the lifts outside the passenger lift and the two cargo lifts.
4. Display safety instructions near machinery. These should be in local language.
5. Install an emergency stop mechanism on all hydro machines used in washing section.
6. Train sewing workers on the proper use of needle guards and monitor compliance to ensure that needle guards are maintained in place.
7. Provide gloves to workers from the sewing and checking sections to prevent fabric dye from sticking to their hands and finger nails.
8. Provide safety shoes to machine mechanics to prevent injury.
9. Provide full-coverage shoes to workers from the washing section. Furthermore, do not permit workers from the washing section to wear slippers. Train workers on the importance of wearing full-coverage shoes and monitor to ensure compliance.
10. Train workers from the washing section on the proper use of gloves and monitor to ensure compliance.
11. Provide water proof aprons for use by workers from washing section to protect their clothes from getting wet while working.
12. Train workers in the PP spray section on the proper use of eye shields. Monitor to ensure compliance.
13. Provide hand gloves to workers applying color along the stitch lines of garments.
14. Provide full gloves to workers from fusing section to protect all fingers from burn injuries while operating the fusing machines.
15. Train workers from the blow out section on the proper use of ear plugs and eye shields. Monitor to ensure compliance.
16. Improve ventilation in the fusing section.

17. Provide hand gloves to workers who load stones into the washing machines. Train workers on the proper use of gloves and monitor to ensure compliance.
18. Make appropriate arrangements to prevent metal rivets from the rivet attaching machines from falling on floor mats.

## VERIFICATION RESULT

### Finding Status

Partially Remediated

### Remediation Details

#### 1. Finding Status (Not Remediated)

Explanation: The elevator safety door on the fifth floor has been removed and a shutter was pulled down when the elevator was descending to the second floor. On the second floor, a fire door opens into the elevator cage; there is a sign on the door indicating that this is not an exit. There is no safety door is installed in front of the elevator cage on the second floor. [HSE.6, HSE.14]

#### 2. Finding Status (Remediated)

Explanation: The load capacity is marked outside the elevators and on the hydraulic lifters.

#### 3. Finding Status (Remediated)

Explanation: There are signs posted near all of the elevators indicating whether the elevator is for use by passengers or for cargo.

#### 4. Finding Status (Partially Remediated)

Explanation: Safety Instructions are only posted near one out of eleven fusing machines and on the washing and drying machines. There are no safety instructions posted near the hydro extractors, loop machines, auto layering machines, or laser machines. [HSE.14]

#### 5. Finding Status (Partially Remediated)

Explanation: The factory installed an automatic power cut-off mechanism on the 12 hydro machines used in the washing section. The mechanism cuts off the power supply when the lid is opened but does not stop the rotating drums immediately. It takes 20 to 30 minutes for the drums to stop rotating unless the manual breaks are applied to stop the drum from rotating. The machines continued operating when the loading lids were lifted to check the emergency stop mechanisms. The reason for delay in stopping the rotating drum is the high rpm with which the drum rotates.

#### 6. Finding Status (Not Remediated)

Explanation: The needle guards on 70% of the sewing machines have been pushed upwards by the sewing machine operators, rendering them ineffective. [HSE.14]

#### 7. Finding Status (Not Remediated)

Explanation: The factory has not provided gloves to any of the workers from the sewing section and some of the workers from the checking sections. Assessors noticed that workers' hands were stained blue from the fabric dye which could be a health hazard since workers eat using their hands. [HSE.7]

#### 8. Finding Status (Not Remediated)

Explanation: The factory has not provided safety shoes to the machine mechanics to prevent accidental injury. [HSE.7]

#### 9. Finding Status (Not Remediated)

Explanation: The factory has not provided fully protected safety shoes to workers from the washing department. The half shoes workers are provided do not adequately protect the exposed skin on their feet from water containing chemicals that could spill while loading and unloading garments from the washing machines. Assessors observed a few workers only wearing slippers rather than the half shoes. [HSE.7, HSE.8]

#### 10. Finding Status (Remediated)

Explanation: Workers from the hydro wash section were wearing gloves on both hands at the time of the assessment.

#### 11. Finding Status (Not Remediated)

Explanation: Workers from the washing section are not provided aprons to protect their clothes from getting wet while working. [HSE.7]

#### 12. Finding Status (Remediated)

Explanation: Assessors observed workers in the Potassium Permanganate (PP) spray section using eye shields while working.

### Local Law or Code Requirement

Bangladesh Factories Rules 1979, Rules 40, 41, 42 and 44; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.6, HSE.7, HSE.8, and HSE.14)

### Recommendations for Immediate Action

1. Ensure that the safety doors and shutter doors installed in front of elevators are operational.
2. Display safety instructions near machinery in the language(s) spoken by workers.
3. Install locks on doors which should not allow lids to open unless drum stops rotating.
4. Train sewing workers on the proper use of needle guards and monitor compliance to ensure that needle guards are kept in place.
5. Provide gloves to the workers from the sewing and checking sections. Train workers on the importance of wearing gloves and monitor to ensure compliance.
6. Provide safety shoes to the mechanics. Train the mechanics on the importance of wearing safety shoes and monitor to ensure compliance.
7. Provide full-coverage shoes to workers from the washing section. Furthermore, do not permit workers from the washing section to wear slippers. Train workers on the importance of wearing full-coverage shoes and monitor to ensure compliance.
8. Provide waterproof aprons for use by workers from the washing section to protect their clothes from getting wet while working. Train workers on the importance of wearing aprons and monitor to ensure compliance.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. We will replace the lift. Meantime we have closed the shutter door.
2. Completed
3. Completed
4. Safety Instructions are posted. Corrected.
5. Factory has installed possible auto stopper which taked time to stop due to the speed of moving object.
6. In Process
7. By wearing hand gloves the sewing workers' cannot sew properly. Facility has provided gloves to checking section's workers' to prevent health hazard about color affecting on their hand skin while working.
8. We have provided the safety shoes to machine mechanics to prevent accidental injury.
9. Only few number of workers were not wearing proper shoes.Sustainability department as well as concern floor supervisors are monitoring regularly about wearing PPE during working.Also we keep conducting training program in every month to creat awareness regarding health & safety.
10. Completed
11. We have provided aprons to the washing workers' to protect their clothes from getting wet during working.
12. Completed
13. Completed
14. Completed
15. Completed



16. Completed

17. Completed

18. Completed

Planned completion date

05/20/17

Company Action Plan Update

1. In Progress

2. Completed

3. Completed

4. Completed

5. Completed

6. In Process

7. Completed

8. Completed

9. In Process

10. Completed

11. Completed

12. Completed

13. Completed

14. Completed

15. Completed

16. Completed

17. Completed

18. Completed

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. All chemical containers are labelled with the contents, but some containers of hazardous chemicals (chemicals used in the power generator, the effluent treatment plant, and in the washing process) are missing hazard labels.
2. All chemical containers (hazardous and non-hazardous) are stored in barrels kept on the floor in tiled compartments (individual blocks) in the chemical storage room located in the washing section. Each of these compartments has a drain hole on the floor to allow chemical leaks to flow into a common drain which leads to the effluent treatment plant. This practice allows the mixture of chemicals which may react when they come in contact with each other. Additionally this practice does not take in to consideration chemicals that may not be suitable for discharge to the treatment plant. Furthermore these compartments are not large enough to contain a large spill from the containers.
3. Hazardous chemicals (acids) are stored adjacent to non-hazardous chemicals (e.g. Legafinish Mar) in the chemical storage area.
4. The small containers of washing chemicals stored behind the washing machines are missing lids.
5. Assessors observed bags of ferrous sulphate stored in the open near the effluent treatment plant. Access was not restricted.
6. There is no chemical emergency alarm system installed in the chemical storage area.
7. Currently, female workers are employed in the printing section and PP spray area. These women are not informed that this work poses a risk to their reproductive health. As stated by management, if a female worker reports that she is pregnant or breastfeeding, she is assigned a separate job away from the chemical use areas.
8. The factory provides cloth gloves to workers who spray PP. This is not the appropriate PPE. Workers should be provided gloves made of latex or another non-porous material that prevents chemicals from coming in to contact with skin.

#### Local Law or Code Requirement

Bangladesh Factory Rules 1979, Rule 42; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.6, HSE.9, and HSE.12)

#### Recommendations for Immediate Action

1. Post hazard labels on all hazardous chemical containers.
2. Make appropriate arrangements to prevent mixture of leaked chemicals (from chemical storage area) that flows into the common drainage leading to the effluent treatment plant.
3. Move the Hazardous chemicals (acids) away from the non-hazardous chemicals (e.g Legafinish Mar).
4. Install lids on chemical containers containing chemicals stored behind washing machines.
5. Do not store ferrous sulphate in the open. Store ferrous sulphate in a chemical storage area with restricted access.
6. Install a chemical emergency alarm system in the chemical storage area.
7. Inform women who work in the printing and PP spray areas of the potential risk to their reproductive health. Allow any female workers who wish to work in a different department to transfer.
8. Provide workers who spray PP with gloves made of latex or another non-porous material.

## VERIFICATION RESULT

#### Finding Status

Not Remediated

#### Remediation Details

##### 1. Finding Status (Remediated)

Explanation: There are hazard labels on the chemical containers in the power generator room, effluent treatment plant, and washing section.

##### 2. Finding Status (Not Remediated)

Explanation: All of the factory's chemical containers (hazardous and non-hazardous chemicals) are stored in barrels on the floor in individual tiled compartments in the chemical storage room located in the washing section. Each of these compartments has a drain hole on the floor to allow chemical leaks to flow into a shared pipe which leads to the effluent treatment plant. This practice allows the mixture of chemicals which may react when they combine. Additionally, this practice does not take into consideration that some of the chemicals may not be suitable for discharge to the treatment plant. Furthermore, these compartments are not large enough to contain a large spill. Management plans to separate the outflow through separate drainage system. [HSE.1, HSE.9]

Root Causes: The approval process delayed the implementation of corrective action.

##### 3. Finding Status (Remediated)

Explanation: Hazardous and non-hazardous chemicals are stored separately.

##### 4. Finding Status (Remediated)

Explanation: Lids are placed on the small containers of washing chemicals stored behind the washing machines.

5. Finding Status (Remediated)

Explanation: Bags of ferrous sulphate are stored in an enclosed area near the effluent treatment plant the area is regularly monitored to restrict access.

6. Finding Status (Partially Remediated)

Explanation: There is an alarm in the chemical storage area. However, the alarm sound and the color of the visual alarm are similar to those of the fire alarm. Management agreed to replace the alarm and use a separate color for the chemical alarm.

7. Finding Status (Remediated)

Explanation: Pregnant workers are not employed in the PP spray section or the printing section. Workers and supervisors (but not mid-level managers or production managers) from the PP spray, hand scrapping, using, blow out, whisker, and printing sections have been informed of the potential risk to their reproductive health. Non-pregnant workers are allowed to transfer out of this section if they want.

8. Finding Status (Remediated)

Explanation: The factory provides workers in the PP spray section with long-arm rubber gloves.

Local Law or Code Requirement

Bangladesh Factory Rules 1979, Rule 43; FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1, HSE.9)

Recommendations for Immediate Action

1. Create a separate drainage system to prevent the mixture of leaked chemicals that flows into the shared pipe leading to the effluent treatment plant. Identify any chemicals which should not be discharged to the treatment plant and implement a system to prevent those chemicals from draining in case of a spill. Install secondary containment for all chemical barrels that is large enough to properly contain a large spill.

## COMPANY ACTION PLANS

### Action Plan no 1.

Description

1. Completed

2. There is less possibility of chemical spillage and the drainage system is flushed with water where there is less possibility of chemical hazard.

3. Completed

4. Completed

5. Completed

6. Factory will install a different alarm sound system and color of the visual alarm system for chemical storage area to get the difference between chemical emergency and fire incident.

7. Completed

8. Completed

Company Action Plan Update

6. In Progress

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. Assessors observed lint accumulated on electrical installations (emergency lights, tube lights, carriage trays, and cables) and on the steam pipes in all work areas in the factory and in the trench carrying electrical cables near the power generators. 2. Warning signs are not posted near the underground water tanks or the floor openings for the underground drainage system in the washing section. 3. The underground water tanks in the effluent treatment plant have protective covers made of iron rods welded to a metal frame. Workers use these covers as walkways when moving about the effluent treatment plant. This poses a significant fall risk, as the joints on these covers (where the rods meet the metal frame) are rusted and could give away. There is no procedure for the periodic inspection of these covers. 4. The factory has not implemented a lockout/tagout program by locking out equipment when needed. 5. There is no rescue equipment available for use by workers entering confined spaces (six underground water tanks). 6. Maintenance workers were observed working at heights without using fall protection equipment as they have not been provided the necessary PPE such as helmets or safety ropes. 7. A worker was seen sitting on a low and unstable makeshift stool while cleaning the drain filter gate through which water from the washing section flows into the effluent treatment plant. He was bending over the drain while cleaning, but no protection was provided to prevent head injury in case of an accidental fall and no eye shield was provided to protect the worker's eyes from accidental spills. He was later seen standing and bending towards the drain, increasing the risk of accidental fall. 8. There is no hand rail or closed cage on the ladder which is used to work at heights. 9. The door of an electric switch board attached to one washing machine was damaged and partly open in the washing section, posing a risk of electrocution.

#### Local Law or Code Requirement

Bangladesh Factory Rules 1979, Rule 42; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.6, HSE.7, HSE.13, and HSE.14)

#### Recommendations for Immediate Action

1. Regularly clean all electrical installations (emergency lights, tube lights, carriage trays, cables), steam pipes, and the trench carrying electrical cables near the power generators. Monitor periodically to avoid accumulation of lint. 2. Post warning signs near the underground water tanks and floor openings for the underground drainage system in the washing section. 3. Replace rusted covers on walkways in the effluent treatment plant. Establish and implement procedures for the periodic inspection of these covers. 4. Implement lockout/tag out program by locking out equipment when needed. 5. Provide rescue equipment for use by employees entering confined spaces. 6. Provide fall protection equipment (helmets and safety ropes) to workers who work at heights. Train workers on the proper use of this equipment and monitor to ensure compliance. 7. Provide safety equipment such as a helmet, safety ropes, and eye shield to the worker who cleans the filter gate. Train the worker on the proper use of this equipment and monitor to ensure compliance. 8. Install hand rails and closed cages on ladders used to work at heights. 9. Repair or replace the damaged switch board door. Ensure that switch board doors are kept closed.

## VERIFICATION RESULT

#### Finding Status

Not Remediated

#### Remediation Details

##### 1. Finding Status (Remediated)

Explanation: The electrical installations (emergency lights, tube lights, carriage trays, and cables) and steam pipes in all work areas are kept free of lint build-up.

##### 2. Finding Status (Remediated)

Explanation: Warning signs cannot be posted on the underground water tanks or the floor openings for the underground drainage system in the washing section. Therefore, the area around the floor openings has been highlighted to warn workers.

##### 3. Finding Status (Remediated)

Explanation: The protective covers made of iron rods in the effluent treatment plant are painted red to warn workers and are inspected periodically for safety.

##### 4. Finding Status (Remediated)

Explanation: The factory has implemented a lockout/tagout program by locking out equipment when needed.

##### 5. Finding Status (Remediated)

Explanation: Rescue equipment (ropes and helmets) are available for use by workers entering confined spaces (six underground water tanks).

##### 6. Finding Status (Not Remediated)

Explanation: No maintenance workers were observed working at heights during the visit. Management stated that they had provided maintenance workers with PPE such as helmets and safety ropes, but assessors did not see any in the maintenance sections. [HSE.1,

HSE.7]

Root Causes: There is a lack of monitoring by the maintenance team.

7. Finding Status (Remediated)

Explanation: The drain filter gate is no longer cleaned manually. Instead, the factory uses auto-filter cleaners. The opening into the drain has been temporarily covered.

8. Finding Status (Remediated)

Explanation: There are safety fences installed on the platform ladders.

9. Finding Status (Remediated)

Explanation: The broken electric switch board board was repaired and is kept closed.

#### Local Law or Code Requirement

Bangladesh Factory Rules 1979, Rule 42; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.7)

#### Recommendations for Immediate Action

1. Provide fall protection equipment (helmets and safety ropes) to workers who work at heights. Train workers on the proper use of this equipment and monitor to ensure compliance.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Completed

2. Completed

3. Completed

4. Completed

5. Completed

6. We have provided adequate PPE such as helmets, safety ropes to the maintenance workers for their safety. We are following our monitoring system to keep safety condition during their working. FLA Agreed.

7. Completed

8. Completed

9. Completed

#### Company Action Plan Update

1. Completed

2. Completed

3. Completed

4. Completed

5. Completed

6. Completed

7. Completed

8. Completed

9. Completed

## PREVIOUS FINDING NO.19

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The markings indicating vehicle parking spots are faded. Sidewalks for pedestrian traffic are not marked. 2. The factory does not provide any visual management such as indicators, convex mirrors in dead ends, reflectors, etc. to ensure safe driving practices on factory premises. 3. Anti-fatigue mats are not provided to workers with standing jobs, except for workers in the ironing section. 4. Adjustable chairs with back rests are not provided to workers with sitting jobs. Wooden stools are provided. 5. The sewing machines stations are adjustable in height; however, other work stations such as those in the checking section, blow out sections, scrapping section, and ironing section are not adjustable in height. A few workers in each of these sections were bending down to do their jobs. This could cause bodily injury. Workers with standing jobs in the blow out section were seen resting on the low work stations behind them to support their lower backs. 6. Lifting belts are not provided to loaders. Loaders were seen lifting scrap bundles on their heads with no appropriate arrangement to prevent bodily injury. 7. The factory has not conducted a pre-employment medical exam for the two food servers serving snacks. 8. Food servers were not using the hand gloves, hair nets, and masks they were provided. 9. Cakes being sold in the canteen re not covered with nets and are thus exposed to flies. 10. The factory has not conducted a pre-employment medical exam for two of the three child care attendants. 11. The first aid kit near the chemical storage area are empty except for two bandages.

##### Local Law or Code Requirement

Bangladesh Factory Rules 1979, Rule 42; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.6, HSE.17, HSE.19, and HSE.22)

##### Recommendations for Immediate Action

1. Remark vehicle parking spots and mark sidewalks. 2. Provide visual management such as indicators, convex mirrors in blind ends and reflectors to ensure safe driving practices on factory premises. 3. Provide lifting belts to loaders to prevent bodily injury. Train workers on their proper use. Monitor to ensure compliance. 4. Conduct medical exams for the food servers serving snacks in the canteen. 5. Ensure that food servers use hand gloves, hair nets, and masks. 6. Provide nets to cover the snacks being sold in the canteen. 7. Conduct medical exams all child care attendants. 8. Stock the first aid kit near chemical storage area with adequate supplies. Regularly check and restock first aid kits.

### VERIFICATION RESULT

##### Finding Status

Not Remediated

##### Remediation Details

1. Finding Status (Not Remediated)

Explanation: The markings indicating vehicle parking spots are faded. Sidewalks for pedestrian traffic are not marked. [HSE.14]

Root Causes: There was a lack of monitoring of the corrective action implementation.

2. Finding Status (Not Remediated)

Explanation: The factory does not provide any visual management such as indicators, convex mirrors in dead ends, reflectors, etc. to ensure safe driving practices on factory premises. [HSE.6]

Root Causes: There was a lack of monitoring of the corrective action implementation.

3. Finding Status (Not Remediated)

Explanation: The factory has not provided anti-fatigue mats to workers with standing jobs, except for workers in the ironing section. [HSE.17]

Root Causes: There was a lack of monitoring of the corrective action implementation.

4. Finding Status (Not Remediated)

Explanation: The factory has not provided adjustable chairs with back rests to workers with sitting jobs. Wooden stools are provided. [HSE.17]

Root Causes: There was a lack of monitoring of the corrective action implementation.

5. Finding Status (Not Remediated)

Explanation: The sewing machine stations are adjustable; however, other work stations such as those in the checking section, blow out sections, scrapping section, and ironing section are not. A few workers in each of these sections were observed bending down to do their jobs. This could cause bodily injury. [HSE.17]

Root Causes: There is no arrangement to alter heights of work stations in the checking section, blow out sections, scrapping section, and ironing section.

6. Finding Status (Remediated)

Explanation: The factory provides lifting belts to loaders.

7. Finding Status (Remediated)

Explanation: Health checks were conducted for the two canteen workers in April and October 2018.

8. Finding Status (Partially Remediated)

Explanation: Food servers were seen using gloves and hair nets, but not masks or aprons. Canteen workers are trained periodically on the use of hair nets and gloves, but the training does not cover the use of masks and aprons. This training was last conducted on August 30, 2018. [HSE.19, HSE.22]

Root Causes: There was a lack of monitoring of the corrective action implementation.

9. Finding Status (Remediated)

Explanation: The snacks being sold in the canteen are covered with plastic sheets.

10. Finding Status (Remediated)

Explanation: The childcare attendants received medical examinations in May 2018.

11. Finding Status (Remediated)

Explanation: The first aid kit located near the chemical storage area is adequately stocked

Local Law or Code Requirement

Bangladesh Factory Rules 1979, Rule 42; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.6, HSE.14, HSE.17, HSE.19, and HSE.22)

Recommendations for Immediate Action

1. Remark vehicle parking spots and sidewalks.

2. Provide visual management such as indicators, convex mirrors in dead ends, and reflectors to ensure safe driving practices on factory premises.

3. Ensure that food servers use gloves, hair nets, masks, and aprons. Periodically train canteen workers on the use of masks and aprons as well as hair nets and gloves. Monitor to ensure compliance.

## COMPANY ACTION PLANS

### Action Plan no 1.

Description

1. Corrected

2. We are maintaining the safe driving practice on factory premises through security guard as they strictly controlled the vehicle movement from or outside of the factory.

3. We will provide anti-fatigue mats to the workers with standing jobs, except for workers in the ironing section.

4. Soon facility will arrange adjustable chairs with back rest to workers with sitting jobs. Already facility has given purchase order to arrange this equipment.

5. We will ensure that all work stations are adjustable in height so that workers are not needed to bend down to do their job. We will conduct comprehensive risk assessment including ergonomic risks and actions will be taken accordingly. We will follow the process continuously.

6. Completed



7. Completed

8. Factory has provided adequate PPE such as hair nets, hand gloves including cotton mask and aprons. We have included all these PPE name in training agenda. Regularly we communicate with canteen service provider as well as taking workers feedback. Canteen service providers are being trained-up in regular interval.

9. Completed

10. Completed

11. Completed

Planned completion date

05/20/17

Company Action Plan Update

1. Completed

2. 12/31/2019

3. 12/31/2019

4. 12/31/2019

5. 12/31/2019

6. Completed

7. Completed

8. Completed

9. Completed

10. Completed

11. Completed

## PREVIOUS FINDING NO.20

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The Health & Safety procedures only cover fire emergencies, first aid, drinking water, health & hygiene, waste disposal, and PPE. 2. The last risk assessment conducted was dated June 20, 2016 and defines the work areas where chemicals are used, possible sources of risk, risk level, and risk prevention through the provision of PPE. The assessment does not provide any information on the risk grading scale, the number of workers present in chemical usage and storage areas, the probability, frequency, or severity of injury, or the appropriate administrative and engineering procedures to control risk. 3. The covers over the underground tanks in the effluent treatment plant and the washing section drainage system are not inspected periodically or included in factory risk assessments. 4. The factory does not have

any guidance documents for external contractors/service providers concerning health and safety.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmark HSE.5)

## VERIFICATION RESULT

#### Finding Status

Not Remediated

#### Remediation Details

##### 1. Finding Status (Remediated)

Explanation: The factory has written procedures to cover fire emergencies, toilets, first aid, drinking water, health & hygiene, waste disposal, PPE, workplace safety, chemical safety, and electrical safety.

##### 2. Finding Status (Remediated)

Explanation: A chemical usage risk assessment was last performed on January 1, 2018. The report provides information on the number of workers, the likelihood and severity of potential risks, and control mechanisms.

Root Causes: The factory did not fully understand what was required and did not appropriately monitor the risk assessment process.

##### 2. Finding Status (Remediated)

Explanation: The covers for the underground tanks in the effluent treatment plant and the washing section drainage system are inspected every month and reports are maintained.

##### 3. Finding Status (Not Remediated)

Explanation: The factory does not have any guidance documents for external contractors/service providers concerning Health & Safety. [ER.31]

Root Causes: The factory does not use external contractors. However, temporary daily workers are hired for maintenance jobs, like painting or construction, under the supervision of the maintenance manager.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.1 and HSE.5)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Completed

2. Completed

3, Completed

4. We will prepare necessary guidance documents for external contractors/service providers concerning health and safety.

#### Planned completion date

05/20/17

## New Findings and Action Plans

### NEW FINDING NO.1

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. Several of the workers in the hand scraping section were wearing torn gloves. A few were using gloves that were missing a finger. The

factory does provide replacements, but the management does not adequately monitor and replace the gloves and other PPWE. [HSE.1, HSE.7, HSE.8]

2. None of the automatic stopping mechanisms on the layering machines were functional when tested. [HSE.1, HSE.14]

3. Some of the toilets (mostly in the men's restroom) do not flush. One of the stall doors in the women's restroom is broken. The factory has provided hand towels for worker to dry their hands which is not hygienic. There is no soap in the men's restroom. [HSE.19, HSE.20]

4. The platform ladders used by the IT team do not have wheel locks. The ladder was tied with a plastic lock to the frame of a box fitted on the wall. IT staff were observed working at heights without helmets. [HSE.1, HSE.14]

5. The chemical usage risk assessment does not include a requirement to train workers. The report is signed by the sustainability team staff, but not by the person responsible for the areas where the assessment was conducted or the person who conducted the assessment.

#### Local Law or Code Requirement

Bangladesh Factory Rules 1979, Rule 42; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.7, and HSE.8)

#### Recommendations for Immediate Action

1. Regularly inspect PPE and replace it when necessary.
2. Repair or replace the automatic stopping mechanisms on the layering machines.
3. Repair the toilets that do not flush properly and the broken stall door. Provide soap and a hygienic way to dry hands in all restrooms.
4. Install wheel locking mechanisms on all ladders. Ensure that anyone working at heights uses a helmet.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. We will inspect PPE and replace regularly
2. We will repair or replace the automatic stopping mechanisms on the layering machines
3. We will repair the toilets flush & broken door and will ensure hygiene facility.
4. We will install wheel locking mechanism and ensure use of PPE for Maintenance people.

## NEW FINDING NO.2

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. Assessors observed cars parked in the designated assembly areas in front of signs stating "no parking". [HSE.5]
2. The floor in the washing section is damaged along the evacuation routes. This could cause injury during an evacuation process. [HSE.5]
3. The handle on the emergency exit door in the chemical storage room is rusted and is not functional. One end of the handle was loosely fastened to the door. The door is kept open using a temporary stopper because the magnet behind the door is no longer functional either. Additionally, the window used as a secondary exit could not be opened immediately and it took workers a while to open the window. This exit is also partially blocked by a sliding glass window. [HSE.1, HSE.5]
4. One of the emergency exit doors in the laser section on the fifth floor opens inwards. [HSE.1, HSE.5]

#### Local Law or Code Requirement

Bangladesh Factory Rules 1979, Rule 51; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.5)

#### Recommendations for Immediate Action

- . Monitor the designated assembly areas to ensure that cars are not parked in no parking zones.
2. Repair the floors in the washing section.
3. Replace the handle on the emergency exit door in the chemical storage room and the magnet that keeps the door open. Ensure that the emergency exit it is kept in good condition at all times. Additionally, ensure that the secondary emergency exit (the window) is easily accessible at all times by periodically opening the windows and using them during evacuation drills.
4. Realign or replace the emergency exit door in the laser section so that it opens outwards.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. We will monitor car parking.
2. We will repair the washing floor.
3. We will regular checking of the Fire door as well as emergency exit for easy evacuation.
4. We will ensure the exit door outward opening type.