



FAIR LABOR
ASSOCIATION_®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Top of the World by Fanatics

COUNTRY: Bangladesh

ASSESSMENT DATE: 12/17/18

ASSESSOR: Insync Global

PRODUCTS: Headwear

NUMBER OF WORKERS:

Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory has no written policy on recruitment, hiring or personnel development. The procedures for recruitment define methods to announce employment vacancies, like advertising in newspapers, media, and posting on the factory gate. Worker requirements are not advertised in media. Written recruitment procedures are undefined. Hiring procedures do not include information on orientation programming, employment documentation, or training. [ER.1, ER.28, ER.29, ER.30]
2. Factory management provided an orientation program for 21 new workers on December 15, 2018. Management stated they instructed these workers to start work December 19, 2018, after the FLA SCI assessment. The reason shared by management was the factory had no HR staff to on-board the new workers, as they were occupied by the SCI assessment. [ER.15]
3. Information on Freedom of Association and Industrial Relations, Workplace Conduct and Discipline, Grievance systems, Termination and Retrenchment and Environment is not included in the orientation program. Orientation includes information on the factory Code of Conduct, uniform requirement, canteen facility, medical facility, daycare facility, dustbins, identity cards, food waste management, time recording procedure, use of PPE, fire protection system, and machine operation safety. [ER.15]
4. Job descriptions are not provided in writing to assign worker responsibilities. [ER.1]
5. Information on nominees (to collect wages in case of death of employee) is missing from 100% of sampled worker files. [ER.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.15, ER.28, ER.29, and ER.30)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Compliance Head will access a local resource to help with recruitment strategies; new hire documentation; training and orientation; wages, and worker engagement. CH will also utilize the recommended FLA e-Learning modules for training on the areas described in the non-compliance issue. 2. The factory calendar should be taken into consideration when new hire orientation dates are being scheduled. Factory Mgmt should avoid orientations when there might be a calendar conflict. (i.e. dates when an audit is scheduled; etc.) 3. Compliance Head will work with HR to revise the onboarding and new hire orientation program to include

training in FOA, Workplace Conduct, Grievance Systems/Mechanisms, Termination and Retrenchment and Environment. 4. Compliance Head will ensure that HR has a written job description on record and available for every position / job in the factory. The written job description detailing responsibilities will be provided to each worker as jobs are assigned. 5. Compliance Head will ensure that HR updates the files of all workers to include a worker selected beneficiary in the event of the workers death.

Planned completion date

12/22/18

Company Action Plan Update

Contractor verified during facility visit on 09.21019 that the non-compliance was being addressed.

"It was noted that, factory has policy on recruitment, they are also providing orientation training, job description also provided, sample checked workers file found nominees information.

FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory provides no appointment letters to workers when they are hired, as legally required. Management stated that they provide letters within seven days of hire date. However, 56 workers hired on December 2, 63 workers hired on December 4, and 21 workers hired on December 15, 2018 did not receive appointment letters until the date of assessment. These workers make up 27% of the workforce. [ER.10]

2. The age estimation form for female workers has inappropriate questions, including breast development (options include "well-developed" at age 18 and "not well-developed" from 14 to 17 years), menstrual history, and growth of auxiliary and pubic hair. [ER.4]

3. 13% of sampled workers have service cards available. Worker and management signatures are missing and leave information is not updated on 100% of sampled cards. [ER.2]

4. 15% of sampled age certificates reviewed do not include a photograph of the worker. [ER.4]

5. Factory supervisors evaluate worker performance verbally following three months of probation. If supervisors are not satisfied with worker performance, they extend the probation period by three months. The factory has no formal systems for review of worker performance. [ER.30, C.3]

Local Law or Code Requirement

Bangladesh Labour Act 2006 (updated in 2015) Chapter II section 5 and section 6; FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.4, ER.10, ER.30; Compensation Benchmark C.3)

Recommendations for Immediate Action

1. Provide appointment letters to workers on their date of hire; ensure no worker starts work without an appointment letter.
2. Remove inappropriate questions from the age estimation form.
3. Update and maintain information on leave in service cards for all workers. The cards should be signed by employer and employee.
4. The picture of worker pasted on age certificate of workers should be verified by the doctor.
5. Do not extend the probationary period beyond three months.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Provide appointment letters to workers on their date of hire; ensure no worker starts work without an appointment letter. 2.

Compliance Head and HR will review the age estimation form. The form will be revised to remove inappropriate questions from the age estimation form. 3. Service card will be available on all workers. Update and maintain information on leave in service cards for all applicable workers. The cards should be signed by employer and employee. 4. The picture of worker pasted on age certificate of workers should be verified by the doctor. 5. Do not extend the probationary period beyond three months. At the workers three month anniversary, the acting Supervisor will document the workers performance. 6. HR will create a formal review system to evaluate worker performance. All Mgmt and those working in a supervisory capacity will be trained on the evaluation system. Workers will be notified of the newly created performance review and will be trained on how the review process works.

Planned completion date

12/22/18

Company Action Plan Update

The Contractor confirmed that the presented remediation had been implemented. Notes provided from his 09.21.19 visit stated the following:

"It was noted during sample documentation review that, factory is maintaining issue 1 to 5 a per requirements"

1 - Appointment Letters

2 - Revised Age Estimation Forms

3 & 4 - Completed Age verification forms w/ signatures, photos and leave info. (Sampling)

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory has no written compensation policy. [ER.1]

2. The written procedures provide information on wages that will be paid, calculation of overtime, information on leave, bonuses, and attendance bonuses. Methods of calculation of wages, leave, and bonuses are undefined. Procedures do not define the provision of wage slips, maintenance of documentation, or training programs. [ER.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The Compliance Head will adopt and implement a compensation policy.

2. Compliance head, factory Mgmt and HR will participate in FLA e-Learning Module 3-Managing Wages as a resource for defining methods of calculation of wages, leave and bonuses. Training will be deployed to workers involved in payroll.

Planned completion date

12/22/18

FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory issues appointment letters 15 to 20 days after workers start. If management is not satisfied with performance, they ask workers to leave and do not pay wages for days worked. Workers have no evidence they were employed in the factory to claim wages. Management claims these workers have been paid, but could not provide evidence of payment. [ER.18, C.1, C.2, C.5, C.15]
2. Management stated housekeepers and maintenance workers work for a few hours some Fridays (rest days for every other worker). These workers do not use the electronic time recording system, as it is switched off on rest days. Attendance of these workers is kept manually and they are paid a lump sum based on work done and paid wages applicable to an external daily wage worker (this rate is lower than the minimum wage). The factory director decides the amount they are paid, and keeps no pay records. Management stated that security guards are paid wages for seven days of work, so rest day work is uncompensated. [ER.18, C.2, C.5, C.15]

Local Law or Code Requirement

Bangladesh Labour Act 2006 (updated in 2015) Chapter X section 121; FLA Workplace Code (Employment Relationship Benchmark ER.18; Compensation Benchmarks C.2, C.5, and C.15).

Recommendations for Immediate Action

1. Pay new workers for days worked prior to terminating employment.
2. Record maintenance, housekeeping, and security workers' hours worked and pay workers accordingly.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Compliance Head and HR will ensure back payment is made to the new workers for days worked prior to terminating their employment. Appointment letters will be issued to new workers. 2. The electronic time recording system should be used for all workers and for every day that the worker is on the clock. This would include time records for maintenance, housekeeping, and security workers as well. 3. Workers impacted by the non-compliance issue will be compensated for the unpaid hours and days worked. Manual recording keeping is not an option.

Company Action Plan Update

The facility now has policy (*written*) hours of work. Houssain Joy, the Contractor used by Vetta, verified during his facility visit that the new policy existed.

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The factory's written policy complies with legal requirements. The factory does not define objectives to ensure legal compliance, but does define work and break times. [ER.23]
2. There are no written procedures for hours of work. [ER.23]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.23)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The Compliance Head will revisit the factory written policy to include defined objectives that align with legal requirements.
2. The revisited written policy will include procedures regarding hours of work. The hours per shift (including breaks) will be included in the written policy.

Planned completion date

12/22/18

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. Security guards, housekeepers, and maintenance workers do not use the time recording system when they work on rest days. Security guards keep attendance manually. The factory provides no compensatory rest day to maintenance or housekeeping workers who have to work on the rest day. Time cards reflect weekly off day on Fridays for all workers. [ER.23, HOW.2]
2. Overtime work is involuntary. Supervisors from sewing and embroidery sections force workers to work overtime. The factory does not obtain written consent from workers prior to working overtime. [HOW.8]
3. The factory makes the electronic time recording system operational between 7:30am and 7:15pm during the work week. This practice could be a risk for unrecorded working hours. [ER.23]
4. Housekeepers divide between two shifts: 7am to 4pm or 8am to 5pm. Since the time recording system does not become operational until 7:30am, workers starting at 7am record their hours manually. A sample of manual records from November 2018 revealed errors in calculation of daily overtime hours, putting workers at risk of unpaid work. Manual records for earlier months were not available for review. Housekeepers on the 8am to 5pm shift use the electronic system. Time cards from November 2018 from the electronic system show workers clocked out at 7pm, working two hours of overtime. [ER.23]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.23; Hours of Work Benchmark HOW.2 and HOW.8)

Recommendations for Immediate Action

1. Ensure housekeepers and maintenance workers use the electronic time recording system when they work on rest days.
2. Obtain written consent from workers prior to working overtime.
3. Ensure time recording system is functional at all times.
4. Calculate overtime hours accurately.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Ensure housekeepers and maintenance workers use the electronic time recording system whenever working at the facility.
Reminder: All workers (including the staff in discussion should not work more than six days in a row without a day of rest.
2. The Compliance Head and HR will implement and document a policy that overtime is voluntary. A detailed OT procedure will be written and observed by factory Management. The procedure will state that OT will be planned and announced to workers prior to the needed time. The procedure will include a sequence or system in securing workers for OT. (i.e. Mgmt will first ask for volunteers). The procedure will include obtaining written consent from workers prior to working overtime.
3. The Compliance Head will ensure that the time recording system is operational and functioning at all times. A facility policy will be created stating that the recording system will be operational 24 hours per day, 7 days per week. This will ensure no working hours go unrecorded. Calibration of the system should be scheduled annually to ensure the system is operating correctly.

4. The Compliance Head will ensure that OT is documented and calculated accurately.

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. The factory does not maintain time cards or documents to calculate terminal dues with pay records. Prior to an employment termination, the factory pays wages for days worked in the pay period following the month of resignation, regardless of their date of resignation. Under this system, payment can be delayed up to six days. For example, if the pay period was the first through the 30th day of every month, if a worker resigns on October 2, their wages for working those two days would be paid by November 7. Legally, all payments should be made within 30 days from date of termination of employment. [ER 32.2]

2. A review of files of 12 sampled workers who resigned from employment revealed that a worker who resigned in October 2018 was not paid her terminal dues until the assessment date, in December 2018. The resignation letter did not include a management signature. Factory management stated the worker was informed verbally by a co-worker that their dues were available, but they did not collect them. Factory management did not follow the legally-required procedures to have the worker collect their dues. A worker who resigned November 1, 2018 worked until November 6, 2018 had yet to be paid wages for working those six days. Factory management had no evidence of communication with workers regarding when they collected wages. The factory had no documented evidence of terminal dues payments available for review for workers who had resigned or who were terminated due to unauthorized absenteeism. [ER.19, C.1]

Local Law or Code Requirement

Bangladesh Labour Act 2006 (updated in 2015) Chapter X section 122 (2); FLA Workplace Code (Employment Relationship Benchmark ER.19 and ER.32; Compensation Benchmark C.1)

Recommendations for Immediate Action

1. Maintain complete documentation, including pay records for terminal dues.
2. Pay terminal dues within legally-defined timelines and keep records of payment.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. HR department will maintain complete documentation, including pay records for terminal dues of each worker. 2. The factory will pay terminal dues within legally-defined timelines and keep records of payment. 3. The Compliance Head and HR will review the records of the two resigned workers and confirm that the correct amount of funds were settled with both.

Company Action Plan Update

The inserted comments were provided by the Contractor reporting on the status of facility remediation:

"It was noted during sample documentation review that, factory is paying resigned / termination benefit.

Also noted that terminal dues are being paid."

Worker files were examined on 09.21.19

FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. The factory's procedures include no information on dues calculation, or the mode, time, or payment of terminal dues. [ER.19, ER.32]
2. The factory has no written policy or procedure on retrenchment. [ER.19, ER.32]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.19 and ER.32)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Compliance Head will include in the reviewing of the factory procedures and processes, the documenting of information specific to dues calculation, the mode, time and payment of terminal dues. 2. Factory Management will adopt and implement a policy and procedure on retrenchment.

Company Action Plan Update

The facility has created a policy on retrenchment.

The Contractor confirmed the submitted evidence was valid while on site. The below was presented to Vetta:

"It was noted during documentation review that, factory has written policy or procedure on retrenchment in place."

The attached, presented as proof, was extracted from the Termination & Retrenchment Policy.

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The factory initiates no disciplinary procedures or notice of termination prior to terminating the employment of workers who are absent from work for 15 days or more without authorization. [ER.27, ER.32]

Local Law or Code Requirement

Bangladesh Labour Act 2006 (updated in 2015) Chapter II section 27 [3(A)]; FLA Workplace Code (Employment Relationship Benchmarks ER.27 and ER.32]

Recommendations for Immediate Action

Follow legally-defined procedures for disciplinary actions prior to terminating employment of workers who are absent for long periods without authorization. Issue warning letters for any misconduct. There after, based on response, an inquiry should be conducted and the decision to terminate employment should be notified to worker in writing prior to termination of employment.

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1.The factory will follow legally-defined procedures for progressive disciplinary actions prior to terminating employment of workers

who are absent for long periods without authorization. A warning letter must be issued first. There after, based on response, an inquiry should be conducted and the decision to terminate employment should be notified to worker in writing prior and/or at termination of employment.

Company Action Plan Update

During the Contractors visit....the following was noted.

"It was noted during documentation review that, factory have Termination & Retrenchment Policy. They also issue registered letter to those workers who were absent from work more than 10 days."

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The factory's procedures do not include steps regarding progressive discipline; they do not require all disciplinary actions to be recorded and include steps for workers to appeal. The procedures do not define the type of action that will be taken given the nature of misconduct. [ER.27]

2. 95% of workers interviewed are unaware of the factory's disciplinary procedures. [ER.15, ER.27]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.15 and ER.27.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The Compliance Head along with HR will create and implement a legally defined progressive discipline policy. The policy will outline guidelines and list examples of worker violations. (i.e. poor performance, unacceptable behavior, etc.) The policy will include steps that describe each level of the process leading up to the worker being terminated. (i.e. a verbal warning; written warning; etc.) The policy will specify the individuals or the held positions within the factory, who will be responsible for employee correction. (i.e HR, Disciplinary Team member, etc.) 2. Workers will be trained (or made aware of) the new policy. Training will occur upon hire and again on an annual cadence.

Company Action Plan Update

HR has now implemented a Progressive Disciplinary Procedures policy. The workforce has been made aware of the disciplinary steps. Initial training has occurred. Included is the message provided by the Contractor, completing a follow up on behalf of Vetta.

"It was noted during documentation review that, factory have Termination & Retrenchment Policy. They are also issue registered letter to those workers who were absent from work more than 10 days." The follow up visit verifying the submitted evidence was completed on 09.21.19 by Hossain Joy KHairul.

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The factory logs grievances, but not follow-up actions. Management stated they have yet to implement effective grievance handling procedures. An employee reported Grievance #1, pertaining to verbal abuse by supervisors in the sewing department, in September 2018 using a suggestion box. In August 2018, security guards reported Grievance #2, against a mechanic who promised higher salaries for security guards, citing his relationship with the Executive Director. A third grievance was by a security guard against another security guard, for allegedly telling the guard to clean a body of water in the factory. [ER.2 and ER.25]

Local Law or Code Requirement

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

Recommendations for Immediate Action

1. Develop and implement procedures to address grievances. Prioritize addressing grievances related to verbal abuse.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The Compliance Head will develop and implement a procedure to address grievances. The Compliance and HR Lead will follow up on the three unaddressed issues. Beginning with the priority grievances related to verbal abuse, the actions taken to address each will be documented and reviewed until closed.

Company Action Plan Update

The visiting third party Contractor confirmed the finding was being corrected. The below was noted during the follow up visit:

"It was noted during documentation checking that, factory has issued written warning letter to those personnel and kept them in the personal file."

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The factory has no written policy on the grievance system. [ER.25]

2. The factory's procedures provide no information on whether the factory provides paper and pen to record grievances and drop them in suggestion boxes. This lack of procedure may discourage workers from reporting grievances. Factory procedures state that grievance boxes are opened every week. However, in practice, they are only opened once a month. These procedures do not identify who is responsible for opening the boxes and documenting the grievances. In practice, none of the suggestion boxes had paper or pen. [ER.25]

3. The factory does not specify a timeline to address grievances. [ER.25]

4. The factory's procedures do not include the required grievance systems training for employees, which should include how to document grievances reported and steps to address and communicate grievances. 95% of workers interviewed were unaware of the factory grievance procedures. [ER 25]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Compliance Head will work with HR to document and detail a procedure for worker use of the current grievance mechanism. 2. The Compliance Head and HR will revisit the current procedure for utilizing the factory grievance system (Suggestion Box). The procedure will include the purpose/intent of the box. The procedure will also identify who on staff is responsible for the maintenance, monitoring and follow up. The procedure will outline worker training on suggestion box purpose/use; location; reporting procedure. 3. The procedure will include the facility policy specific to the timeline needed to address grievances. 4. The factory needs to maintain thorough documentation regarding the grievance process including who made the grievance, what actions were taken, who addressed the grievance, etc. 5. Training will be provided to the workers.

Company Action Plan Update

Vetta's Third Party Contractor noted the following from his 09.21.19 visit:

"It was noted during documentation checking that, factory has written policy on the grievance system. Factory conducted training for 30 topic including grievance in one training module for all worker and completed in 24 group each month." SFacilities Grievance Policy and Training Roster / Attendance list have been submitted as evidence.

FINDING NO.13

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory's environmental policy appears to have been copied from another factory called "REGENCY," as the name appears in the best practices statement. [ER.31]

2. The factory has defined procedures to manage waste, including the disposal of waste inside an export processing zone. This factory is not located inside an export processing zone. Therefore, these procedures, provided by an external consultant, according to management, and signed by factory management, are not applicable to this factory. These written procedures also include no information on control measures for energy or water inside the factory to reduce waste, how to raise concerns and report emergencies, or steps to protect workers who raise concerns. The training requirement and document maintenance requirement are undefined. [ER.31, HSE.1]

3. The factory conducts environmental protection training for ten employees -cleaners and maintenance staff - who are directly responsible for handling and disposing of waste, but does not train all workers on environmental protection [ER.15, ER.17]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.15 , ER.17, ER.31; Health, Safety, and Environment Benchmark HSE.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The Compliance Head will create an environmental policy that reflects its factory name. 2. The Compliance Head along with Management will establish an environmental management plan that is conducive to the factory location and local laws. The plan will include control measures for energy or water used to reduce waste. The plan will also include specifics for facility training and document maintenance. 3. The H&S Committee and all factory workers will participate in initial (and ongoing) environmental protection training. Training will not be limited to only those responsible for the handling and disposing of waste.

Company Action Plan Update

Contracted third party validated the factories submitted evidence on 09.21.19

FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has no anti-fatigue mats for standing workers. [HSE.17]
2. The factory has no eye shields for workers who attach buttons to caps. [HSE.7]
3. The restrooms have no hand drying facilities. [HSE.19]
4. The light bulbs installed as emergency lights above exits and in work areas may not be effective in smoke, as they are typically used for domestic lighting. [HSE.5]
5. The factory has no Lock Out – Tag Out arrangements. [HSE.14]
6. The factory has not conducted a health check for the childcare attendant. [HSE.1]
7. The factory has not properly equipped the medical room, as required by law. The factory does not employ a full-time doctor; the doctor is only present two days a week, for three hours each day. A nurse is available during all working hours. If the nurse is absent, there is no attendant for the medical room. The factory has an agreement with a hospital 5 kilometers away from the factory; the factory sends workers to the hospital as needed. [HSE.18]

Local Law or Code Requirement

Bangladesh Factories Rules 1979, section 42, Section 54, section 51 and section 56); FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.5, HSE.7, HSE.14, HSE.17, HSE.18, and HSE.19)

Recommendations for Immediate Action

1. Provide anti-fatigue mats to standing workers.
2. Provide eye shields to workers who attach buttons to caps.
3. Provide hand drying facilities in restrooms.
4. Install industrial-grade emergency lights above exits.
5. Implement Lock out – Tag Out arrangements for maintenance work.
6. Conduct a health check for the childcare attendant.
7. Hire full-time doctor for the medical room and provide adequate and appropriate equipment, as legally required.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Anti-fatigue mats will be provided to all standing workers. 2. Eye shields will be provided to workers who attach buttons or doing any task where eye injury could occur. 3. Hand drying facilities will be provided in the restrooms. 4. Install industrial-grade emergency lights above exits. 5. Implement Lock out – Tag Out arrangements for maintenance work. 6. Conduct a health check for the childcare attendant. 7. Hire full-time doctor for the medical room and provide adequate and appropriate equipment, as legally required. 8. The Compliance Head will work with the H&S Committee to ensure the above items are regularly assessed, followed up and documented in the factory Health and Safety Manual. FLA e-Learning module 5-Health & Safety Mgmt Systems will be completed by first, the Compliance Head and deployed later to members of the Health & Safety Committee.

Company Action Plan Update

FINDING NO.15

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not have a spill response kit in the oil storage area. [HSE.9]
2. The Material Safety Data Sheet (MSDS) for oil is not posted near the storage area. [HSE.9]
3. The capacity of the secondary containers for diesel oil barrels, machine oil barrels, oil containers, and detergents is insufficient; it cannot contain leakages or spillage. A small amount of sand is below these containers. [HSE.9]
4. The factory has no emergency response plan for chemical or oil spills. [HSE.9]

Local Law or Code Requirement

Bangladesh Factories Rules 1979, section 42; FLA Workplace Code (Health, Safety, and Environment Benchmark HSE.9)

Recommendations for Immediate Action

1. Provide a spill response kit in the oil storage area.
2. Post Material Safety Data Sheet (MSDS) for Petrol near storage area.
3. Provide secondary container with adequate capacity for diesel oil barrels, machine oil barrels, petrol containers, and detergents to contain leakages and spillage.
4. Implement an emergency response plan for chemical and oil spills.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The Compliance Head will secure / source a spill response kit, and the Health & Safety Committee will ensure the kit is utilized in the oil storage area. 2. The Compliance Head will create Material Safety Data Sheets (MSDS) for petrol near the storage area. The H&S lead will post the documents and ensure all are revised as needed. Copies of the sheets will also be kept on file with other H&S notes and forms. 3. The Compliance Head will secure a secondary container with adequate capacity for diesel oil barrels, machine oil barrels, petrol containers, and detergents to contain leakages and spillage. The H&S Lead will ensure the containers are monitored during the routine check of the facility. 4. The Compliance Head will work with local Safety authorities for assistance in creating an emergency response plan that is aligned with local laws regarding chemical and oil spills. 5. The regular assessment and follow-up of the above will be documented in the facility Health & Safety manual for easy reference.

Company Action Plan Update

A third party Contractor was hired to conduct a follow up of the facility to confirm the non-compliance was corrected. Per his visit the factory is now using a spill response kit in the area. The MSDS is posted. An emergency response plan has been implemented.

FINDING NO.16

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. Though factory management is aware of the requirement, they have not yet provided specific training to supervisors or workers on Recruitment, Hiring and Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Freedom of Association and Industrial Relations, or Environmental Protection. The factory provides training on Health and Safety (PPE and Fire Safety) periodically. [ER.1, ER.15, ER.17]

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The Compliance Head will work with Management and HR to create and implement a Worker Training Program. The training program will cover topics listed in the Non-Compliance Issue column. Training will be applicable to all worker levels and departments within the facility. (i.e. Exec Team, Middle Managers, Supervisors, Production Line workers, etc) The training program will be apart of new hire training and annual/ongoing facility training. The Compliance Head and HR will commit to training by signing up for the FLA e-learning modules specific to the listed areas: Module 1-Recruitment; Module 2- Working Hours; Environment 1-Environmental Protections; Worker Engagement 2 - Informing and Communicating.

Company Action Plan Update

Vetta's third party Contractor visited the facility to confirm progress of remediation. The following was noted during that 09.21.19 visit: *"It was noted that, factory conducted training for Recruitment, Hiring and Personnel Development, Compensation, Hours of work, Termination & Retrenchment, Freedom of Association and Industrial Relations, and Environmental Protection. There was 24 group that factory completed the training and they will continue in each month."*

FINDING NO.17

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

1. The written procedures are dated January 1, 2018 and the review period is undefined. [ER.1, ER.29, ER.30, ER.31]

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The Compliance Head will work with facility Management to review facility processes on an annual cadence. An Annual Review Policy will be created. A time period will be agreed upon to review written procedures. (typically EOY to impact the next calendar year). All policies and procedures will be reviewed against local laws and FLA code and benchmarks. A copy of the policy will be forwarded for review.

Company Action Plan Update

Vetta hired a third party Contractor Hossain Joy Khairul to visit the facility to confirm that the finding has been addressed. His comments noted in the CAP were as follows: *"It was noted that factory corrected the issue. They have mentioned date in policies and procedures."*