



FAIR LABOR  
ASSOCIATION®

## INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: The s. Oliver Group

COUNTRY: Bangladesh

ASSESSMENT DATE: 09/10/19

ASSESSOR: Insync Global

PRODUCTS: Apparel

NUMBER OF WORKERS: 2149

## 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.

FLA Code Element	Number of Violations
Compensation	5
Hours of Work	4
Employment Relationship	19
Health, Safety, and Environment	30
Harassment and Abuse	1
Nondiscrimination	1
Freedom of Association	3

## Findings and Action Plans

### FINDING NO.1

#### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. A secondary container has not been provided for the diesel container in the fire pump room. [HSE.9.1]
2. A hazard label is not posted on the diesel tanks in the power generator room or the fire pump room. [HSE.9.1.1]
3. Liquid petroleum gas detectors are not installed in the boiler room. [HSE.1]

##### Local Law or Code Requirement

Bangladesh Factories Rules 1979 – section 40. Machinery and plant; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.9.1, HSE.9.1.1)

##### Recommendations for Immediate Action

1. Provide secondary container for the diesel container in the fire pump room.
2. Post hazard label on the diesel tanks in the power generator room or the fire pump room.
3. Install liquid petroleum gas detectors in the boiler room.

## COMPANY ACTION PLANS

## Action Plan no 1.

### Description

1. We, factory management will provide secondary container for the diesel container in the fire pump room.
2. The label will be posted on diesel tanks.
3. We, factory management will install gas detectors machine in boiler room.

### Company Action Plan Update

1. We, factory management have provided secondary container for the diesel container in the fire pump room.
2. The label has been posted on diesel tanks.

## FINDING NO.2

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The boilers are missing all three of the inspection reports. [HSE.4]
2. The elevator is maintained by a service provider but the factory had no record to confirm the competency of this service provider. Legally elevators are required to be inspected periodically. [HSE.13]
3. The compressor did not have the legally required inspection. [HSE.13]
4. Hydraulic stackers do not have audio or visual alarms. [HSE.1]
5. Confined spaces (including underground water tanks) are not marked with appropriate signs or protected to prevent unauthorized entry. [HSE.1]
6. Traffic lanes are not marked. Neither reflectors nor convex mirrors are provided to assist in safe driving. [HSE.1]

#### Local Law or Code Requirement

Bangladesh Factories Rules 1979 – Safety section 40 and section 46(1); Bangladesh Labour Act 2015 Chapter VI – Safety Section 68; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.4 and HSE.13)

#### Recommendations for Immediate Action

1. Boilers should be inspected periodically as legally required.
2. Competency certificate of service provider who maintains elevator should be maintained in the factory.
3. The compressor should be inspected by competent person as legally required.
4. Install audio and visual alarms on Hydraulic stackers to warn workers when in use
5. Mark confined spaces (including underground water tanks) with appropriate signs or protected to prevent unauthorized entry.
6. Mark traffic lanes and provide reflectors and convex mirrors to assist in safe driving.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Inspection needs to be done as well as report.
2. We, factory management will confirm inspection for elevator by concern department.
3. We, factory management will confirm inspection for elevator by concern department.
4. We will install audio and visual alarm in hydraulic stackers.
5. We will mark all confined spaces with appropriate sign and authorized person details.
6. We, factory management will install convex mirror to assist in safe driving.

#### Company Action Plan Update

1. Inspection has been completed, and now report is available.

## FINDING NO.3

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The factory employs one qualified caretaker and one cleaner to attend to the 28 children in the childcare room. In the caretaker's absence, the cleaner takes care of these children with assistance from one other cleaner. Clean clothes are not provided for employees working in childcare. [HSE.1]
2. The factory's child care room entrance door is being raised because the level of the road was raised. A temporary door has not been provided, so children are exposed to dust and car exhaust. [HSE.1]
3. The factory bathrooms do not have sinks. Towels are provided, instead of drying machines. [HSE.1]

##### Local Law or Code Requirement

Bangladesh Labour Rules 2015 Chapter eight - Rule 86 and Rule 94(5); Bangladesh Factories Rules 1979 section 64 and section 67; FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1)

##### Recommendations for Immediate Action

1. Employ adequate number of attendants in childcare room and provide clean clothes to attendants.

2. Make appropriate arrangements to prevent children in child care room being exposed to dust from movement of vehicular and human traffic in front of childcare room.

3. Provide sinks in bathrooms that do not have sinks. Provide hand dryers in all bathrooms.

## COMPANY ACTION PLANS

Action Plan no 1.

### Description

1. We, factory management will provide clean cloths to the required employees who are working in child care.
2. We will install a fixed door in child care room.
3. We will provide drying machine in required place.

### Company Action Plan Update

1. Clean cloths have been provided.
2. We already have installed a fixed door in child care room.
3. Drying machine is installed

## FINDING NO.4

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. One of the two high beam emergency lights installed above each exit on the sewing floors was not functional when tested at random. [HSE 5.1]
2. LED bulbs used for domestic lighting are installed for use as emergency lights in work areas. [HSE.5.1]
3. Access to evacuation routes from most work stations in the sewing areas is either blocked or restricted by garment stands. Workers are blocked in to their work stations. In some work stations, workers sat back-to-back with their backrests touching or with limited space between them. [HSE. 5.1]
4. The assembly area, a road between the two factory buildings, is also used by local residents. Vehicles and construction materials are in front of the assembly areas. [HSE.5.1]
5. Cars are parked inside the main gate which restricts access from factory exits opening into the parking areas and restricts emergency vehicles from entering the factory. Factory cars and other vehicles are parked on one side of a narrow lane, allowing only one vehicle to move at a time.[HSE.5.1]

#### Local Law or Code Requirement

Bangladesh Labour Rules 2015 Chapter VI – safety section 54; Bangladesh Factories Rules 1979 - Safety section 51; FLA Workplace Code (Health, Safety & Environmental Benchmark HSE.5.1)

### Recommendations for Immediate Action

1. Monitor and ensure emergency lights installed above exits from work areas are functional at all times.
2. Replace LED bulbs used for domestic lighting installed in work areas with industrial type of emergency lights like those installed above exits.
3. Monitor and maintain adequate access to passages from work stations.
4. Designate assembly areas that are clear of obstructions at all times.
5. Areas near main exit on ground floor from factory building should be maintained clear at all times to allow unrestricted movement of human traffic and emergency vehicles in case of an emergency.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. We will install emergency light in said areas. We will increase monitoring system through a check list by a designated maintenance people.
2. We will install emergency light as per Accord & Alliance. guidelines. If we change this option we need to again re permission from them.
3. We will make a proper layout plan considering space limitation so that aisles not blocked. We will provide refresher training to the concern respective person (Supervisor, Managers) in production floor. We will increase monitoring through a check list by a designated persons.
4. No alternative option.
5. We will maintain free space in front of factory gate, so that emergency vehicles can reach without obstacle.

##### Company Action Plan Update

1. We have already installed emergency light in said areas. We will increase monitoring system through a check list by a designated maintenance people.
2. We have installed emergency light as per Accord & Alliance. guidelines. If we change this option we need to again re permission from them.
3. We have made a proper layout plan considering space limitation so that aisles are not blocked. We will provide refresher training to the concern respective person (Supervisor, Managers) in production floor. We will increase monitoring through a check list by a designated persons

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Environmental Protection

#### Finding Explanation

The factory has no written procedures to address unexpected environmental emergencies like gas leaks. [ER.31.1, HSE.5.4]

#### Local Law or Code Requirement

FLA Workplace Code Employment Relationship Benchmark ER.31.1 and Health, Safety & Environment Benchmark HSE.5.4)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

We will make a written procedure to address unexpected environmental emergencies like gas leak.

## FINDING NO.6

## SUSTAINABLE IMPROVEMENT REQUIRED

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

#### Finding Explanation

1. The factory does not document the orientation topics or content covered for new workers or supervisors. [ER.15.3]
2. A letter to communicate annual wage increment increases is not provided to workers. [ER.2]
3. Job descriptions are not shared with management responsible for specific employment functions. [ER.1]
4. Service books are not updated with information on employee leave.[ER.2]
5. Workers do not receive written documentation that substantiates all the issues covered in orientation. The Employee Handbook has not been provided to new workers hired after March 2019. Management stated that they are in the process of updating the handbook. [ER.15.3]
6. The factory has no written policy or procedures on personnel development. The policy on recruitment states that per factory procedures, workers will be promoted based on competency. Information on criteria, interval, or responsible person for the evaluation of performance resulting in promotions is not available.[ER.1]
7. Worker performance reviews are limited to production workers and do not include attendance, discipline, team work, or attitude. [ER.30.1]
8. Responsibilities to manage employment functions are not provided in writing to responsible staff. HR team is informed verbally of their responsibilities. Job descriptions are available but not communicated separately to responsible management team. [ER.1.2]
9. The Abstracts of Acts are not posted in the facility, a legal requirement. [ER.2.2]

#### Local Law or Code Requirement

Bangladesh Labour Rules 2015 Chapter Nineteen Rule 364; Bangladesh Labour Act 2006 (updated in 2015) Chapter II section 6; FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.1.2, ER.2, ER.2.2, ER.15.3, ER.28.1, ER.29.1 and ER.30.1)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. We, factory management will include and keep proper record for orientation training.
2. We, factory management will give increment letter to the workers.

3. Job description will be shared with all employees of the factory.
4. We, factory management will update our employee hand book as per revised law.
5. We, factory trainers will provide employee hand book after conducting orientation training.
6. We, factory HR team will prepare Policy & Procedure for personal Development.
7. We will include required KPI like attendance, discipline, team work in our performance appraisal form.
8. We will provide responsibilities to the required team members.
9. We will post Abstracts of Acts in various place.

#### Company Action Plan Update

5. We, factory provided employee hand book after conducting orientation training.

## FINDING NO.7

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Termination & Retrenchment

##### Finding Explanation

Procedures for termination and retrenchment do not include calculation of termination payment, mode of payment, or timelines for payment. [ER.19.1]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.19.1)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

We, factory management will make procedure where these points will be included.

## FINDING NO.8

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Hours of Work

##### Finding Explanation



1. Overtime is worked on a regular basis on most to all days in every month. [HOW.1]
2. The factory provides workers one 30-minute break during night shifts (8:00pm to 5:00am) resulting in 8.5 regular hours of work instead of 8 hours. [HOW.3]

#### Local Law or Code Requirement

Bangladesh Labour Act 2006 (updated in 2015) Chapter IX Section 101; FLA Workplace Code (Hours of Work Benchmarks HOW.1, HOW.3).

#### Recommendations for Immediate Action

1. Ensure workers do not work overtime on a regular basis.
2. Provide 60-minute break to all workers, as legally required.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. We factory management will comply with legal requirements on overtime work.
2. We, factory management will change the break timing for night shift and provide a one hours break.

#### Company Action Plan Update

1. We factory management complies with legal requirements on overtime work.
2. We, factory management has change the break timing for night shift and now they are enjoying one hours break.

## FINDING NO.9

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Industrial Relations

#### Finding Explanation

Approximately 30% of workers formed a union in March 2019. As stated by management, some workers nominated representatives and approached an external union in March 2019 to form a union in the factory. The federation informed the labor department accordingly, who informed the factory, and met with factory management. Management agreed to allow the union and received the Union Registration certificate. Prior to the formation of the Union, factory had a joint worker-management committee, a Workers Participation Committee. Following the formation of the union, the WPC was dissolved. Most workers are not aware of the union. Information gathered from interviews with union members revealed that a factory manager called some workers and told them to form a union, selected the worker representatives, and introduced them to the external union, whose leader is a previous employee at the factory. [FOA.11]

#### Local Law or Code Requirement

FLA Workplace Code (Freedom of Association Benchmark FOA.11).

## COMPANY ACTION PLANS

Action Plan no 1.

### Description

Factory shall raise the awareness on union activities among the workers.

## FINDING NO.10

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Compensation

#### Finding Explanation

1. Date of payment is not recorded on receipts signed by workers receiving maternity benefits. Management stated that payment is made post-internal audit of calculations. Based on the date recorded on the pay record by the internal audit team, it appears payment was delayed by 3 days. [ER.18, C.14.1]
2. There is no calculation sheet for termination payments on employee time or leave records. [ER.19.1, C.15]

#### Local Law or Code Requirement

Bangladesh Labour Act 2006 (updated in 2015) Chapter 46; FLA Workplace Code (Employment Relationship Benchmarks ER.18 and ER.19.1; Compensation Benchmarks C.14.1 and C.15)

#### Recommendations for Immediate Action

Record date of payment on receipts signed by workers receiving maternity benefits and pay maternity benefits within legally defined timelines.

## COMPANY ACTION PLANS

Action Plan no 1.

### Description

1. We, factory management shall notice and comply on this subject by including the payment receipt date on the record.
2. We, factory management shall provide calculation sheet into the termination payments.

#### Company Action Plan Update

1. We, factory management have noticed and complying on this subject by including the payment receipt date on the record.
2. We, factory management have provided calculation sheet into the termination payments.

## FINDING NO.11

## SUSTAINABLE IMPROVEMENT REQUIRED

## FINDING TYPE: Workplace Conduct & Discipline

### Finding Explanation

The factory has no mention of discipline or Harassment / Abuse in their internal audit procedures. [ER.27.1 and H/A.8.1]

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27.1 and Harassment & Abuse.8.1)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

We, factory management shall include required points in our internal audit system.

#### Company Action Plan Update

We, factory management have included required points in our internal audit system.

## FINDING NO.12

## SUSTAINABLE IMPROVEMENT REQUIRED

## FINDING TYPE: Training (Macro)

### Finding Explanation

1. Of 1,983 total workers, 641 workers have participated in ongoing training on FLA code elements and employment functions. [ER.15.1, ER.15.2]
2. 156 of 1,983 workers have received training on PPE in the past 12 months. [HSE.8]

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER 15.1 and 15.2; Health, Safety & Environment Benchmark HSE.8)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Training is an integrated part of our management system. We, factory management will include FLA Code elements in training topic.
2. We, factory management will provide training to all employees on PPE use and include this topic in our yearly training calendar.

#### Company Action Plan Update

1. Factory management has started to include FLA Code elements in training topic.
2. Factory management has started to provide training to all employees on PPE use and has started to include this topic in their yearly training calendar.

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Grievance System

##### Finding Explanation

1. The factory does not have a system to obtain feedback from workers to confirm action taken after grievances are reported. [ER.25.2]
2. The factory does not have a written non-retaliation policy. [ER.1]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.25.2)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. We, factory management will revise our existing grievance management system.
  - a. We, factory management will include this point in our grievance policy.
  - b. We, factory management will give feed back to the workers system
  - c. We, factory management will provide a refresher training to the relevant person.
2. We, factory management will develop non-retaliation policy.

##### Company Action Plan Update

The factory has started to update its grievance management system and has grievances and documented those actions taken in the grievance register