



COMPANIES: Fast Retailing Co., Ltd.  
COUNTRY: Bangladesh  
ASSESSMENT DATE: 07/24/17  
ASSESSOR: Insync Global  
PRODUCTS: Apparel  
NUMBER OF WORKERS: 4200

## Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

## 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	Violations
------------------	------------

## Findings and Action Plans

### FINDING NO.1

#### SUSTAINABLE IMPROVEMENT REQUIRED

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

##### Finding Explanation

1. The factory does not have written policies on Personnel Development, Compensation, Industrial Relations, or Grievance Systems. ER.28, ER.29, ER.30
2. The factory does not have written procedures on Personnel Development. ER.29
3. The factory's policy on Hours of Work only states the legal requirements to be complied with but does not define the factory's policy on Hours of Work, provision of breaks, weekly rest day, and extraordinary business circumstances. The procedures do not define the provision of breaks when workers work overtime. ER.23
4. The factory's policy on Termination states that management will ensure termination as required by law. It does not define the factory's policy on various type of termination. The written procedure on Termination does not define timelines for payment of dues or mode of payment.
5. The factory's policy on Freedom of Association mentions the participation committee but does not include the factory's policy to allow workers to associate or organize freely.
6. The factory's policy on Workplace Conduct & Discipline defines the various types of misconduct but not the corresponding disciplinary action. The procedures on Workplace Conduct & Discipline do not require documentation of verbal warnings and hence verbal warnings are not documented. The factory does not have a written set of workplace rules and regulations. ER.27
7. There is no written policy on Health & Safety, however there are documents stating provision of Health & Safety measures. Written procedures on Health & Safety are not defined for workplace safety which includes machine and electrical safety, building safety, sanitation, and canteen safety. ER.31
8. The factory's policy on Environmental Protection does not include 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. ER.31

9. Concerning Health and Safety, there are no written procedures on the following: measures to protect the reproductive health of workers through minimizing exposure to workplace hazards; steps for workers to raise health and safety concerns; protection against retaliation for workers who raise health and safety concerns; information on the location of assembly areas; and, steps on how to ensure that all personnel, visitors, contractors, service providers are safely evacuated. The procedures on chemical emergencies does not include maintaining a chemical inventory, material safety data sheets (MSDS) of the chemicals in use and steps that should be taken to protect workers if there is an accidental chemical spill, including identifying those who are responsible for cleaning up the spill. There are no written procedures for electrical certifications, inspections, assessments and reviews (overall electrical system, grounding system, lightning protection system). The procedures do not include information on a list of confined spaces that require work permits and precautions people must take prior to & upon entry and stay in each confined space. The procedures do not contain information on what workers should do in case of injury, a list of workers responsible for responding to emergencies (with their qualifications and/or certifications, names, and/or titles) and steps for reporting death, injury, illness, and other health and safety issues. There are no written guidance documents for external contractors/service providers concerning health and safety. ND.8, HSE.12, ER.31

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.23, ER.27, ER.28, ER.29, ER.30 and ER.31; Nondiscrimination Benchmark ND.8; Health, Safety and Environment HSE.12)

## COMPANY ACTION PLANS

1. 1. Factory has written policies on Personnel Development, Compensation, Industrial Relations, or Grievance Systems. (Completed)
2. Facility will establish personal development procedure based on what they have maintained practically. And will make sustainable system by mentioning in the in policy and procedure as per FLA Benchmark . (In progress)
3. Facility will develop the policy on Hours of Work based on provision of breaks, weekly rest day, and extra ordinary business circumstances as well as prepare the procedure also. (In progress)
4. Facility will develop the Termination policy where type of Termination, termination procedure and time line of payment will be mentioned to implement the management system. (In progress)
5. Facility management has taken initiative to develop Freedom of Association policy based on the requirments. (Completed)
6. Facility will develop the workplace rules and regulations procedure where will be define how implement the policy and keep record all kinds of Workplace Conduct & Discipline. Also facility will develop verbal warnings/grievance register. (Completed)
7. Facility will make sure Health and Safety Policy and Procedure should be defined workplace safety which includes machine, electrical safety, building safety, sanitation, and canteen safety once prepare new policy. (Completed)
8. Facility will develop the policy on environmental protection including energy and water efficiency and a commitment to minimize impacts with respect to air emissions, waste, hazardous materials. Also be included implentation and record keeping system on Environment things. (In progress)
9. Facility has taken initiative to comply and ensure the following Policy and Procedure:
  - a. Facility will establish Reproductive Health and Safety Policy and Procedure considering protecting the workers through minimizing exposure to workplace hazards and steps for reproductive health. Also be included in the procedure that how workers will raise health and safety concerns and who will be the responsible as well as ensure workers protection against retaliation that raise health and safety concerns.
  - b. Factory will prepare a Fire Safety Evacuation and Fire Drill Procedure to ensure the steps and information on the location of assembly area as well as safely evacuation of all personnel, visitors, contractors, service providers. Also be informed that facility has no use any kind's hazards chemical to the process. However factory will include in our safety policy that will maintain chemical inventory, material safety data sheets (MSDS) of the chemicals once they use and take steps to protect workers if there is an accidental chemical spill, including identifying those who are responsible for cleaning up the spill.
  - c. Factory will prepare written procedures for electrical safety that includes certifications, inspections, assessments and reviews process of electrical system, grounding system, lightning protection system also list of confined spaces where require work permits and precautions that people must take prior to & upon entry and stay in each confined space.  
As well as make a procedures to ensure qualified list of workers who responsible for responding to emergencies and steps for reporting death, injury, illness, and other health and safety issues.  
(In progress)

Action plan status: In progress

Planned completion date: 04/12/18

## FINDING NO.2

## SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

### Finding Explanation

1. The factory does not have a formally defined training program. A training schedule is prepared for workers but not for supervisors. ER.17
2. There is no defined plan in place to ensure 100% of workers are trained. The factory does not have a system to track training programs that have been conducted and does not monitor covering all workers. The factory could not confirm if 100% of workers have been trained. The factory conducts trainings by floor, as set by the schedule. Workers are selected at random and are trained in groups. The training is a 30-minute information program that covers the use of PPE, fire safety, grievance procedures, disciplinary procedures, benefits, working hours & overtime, and harassment & abuse. ER.15, ER.17
3. The factory does not provide training for Industrial Relations, Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Workplace Conduct & Discipline, or Environmental Protection. There is some information provided to the housekeeping team on waste storage and concerning the listed Employment Functions. ER.17
4. The training program on Health & Safety does not include electrical and machine safety, ergonomics, or chemical safety. As per the available records, 787 (18%) workers out of 4211 have been provided training on PPE. ER.17
5. The factory does not provide specific training for workers who work with chemical tanks. HSE.9

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, and ER.17; Health, Safety and Environment Benchmark HSE.9)

## COMPANY ACTION PLANS

1. Facility will prepare the Training Calendar including all mid management and workers. (In progress)
2. Facility will prepare the Training schedule including mid management and workers. Also we have a plan to ensure that all workers to be trained. (In progress)
3. Facility has taken initiative to provide training on Industrial Relations, Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Workplace Conduct & Discipline and Environmental Protection. (In progress)
4. Facility has taken initiative to include electrical and machine safety, ergonomics and chemical safety on the Health and Safety Training program. (In progress)
5. Facility has taken initiative to conduct the training program on Safe Chemicals Handling on Storage system. Training will start from December 2017. (Completed)

Action plan status: In progress

Planned completion date: 04/12/18

## FINDING NO.3

## SUSTAINABLE IMPROVEMENT REQUIRED

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

### Finding Explanation

The factory does not communicate the following Employment Functions to workers: Recruitment, Hiring and Personnel Development, Compensation, and Environmental Protection.

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.16, ER.28, ER.29, ER.30; Compensation Benchmark C.17)

## COMPANY ACTION PLANS

1. Factory has a training program on our Policy and Procedure. However, they will conduct a training session on Recruitment, Hiring and Personnel Development, Compensation, and Environmental Protection. Factory will ensure that all new/updated policy and procedures will be communicated to the workers in these trainings. (In progress).

Action plan status: In progress

Planned completion date: 04/12/18

## FINDING NO.4

## SUSTAINABLE IMPROVEMENT REQUIRED

## FINDING TYPE: Review Process (Macro)

### Finding Explanation

1. The factory does not review its written policies and procedures periodically even though an annual review period is defined.
2. The Recruitment & Hiring policy is dated December 2014 and has not been reviewed even though the review period is defined as "annual".
3. The Compensation policy is dated March 1, 2014 and has not been reviewed since.
4. Policy on Termination is dated November 2006.
5. The Hours of Work policy is dated December 2015 and has not been reviewed since.
6. The Workplace Conduct policy is dated March 2016 and has not been reviewed since.
7. The Freedom of Association policy is dated June 2015 and has not been reviewed since.
8. The Health & Safety policy is dated January 2014 and has not been reviewed since. The emergency action plan is dated June 14, 2017 and fire procedures is dated April 9, 2017, however, neither are signed by management representatives.
9. The Environmental Protection policy is dated October 2015 and has not been reviewed since.

### Local Law or Code Requirement

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

## COMPANY ACTION PLANS

1. 1. Factory will make a policy on review system of policy and procedure and ensure implementation. (In progress)
2. Factory will make a policy on review system of policy and procedure and ensure implementation. (In progress)
3. Facility will make a policy on review system of policy and procedure and ensure implementation. (In progress)
4. Facility will develop the Termination policy where type of Termination, termination procedure and time line of payment will be mentioned to implement the management system. (In progress)
5. Factory will make a policy on review system of policy and procedure and ensure implementation. (In progress)
6. Factory will make a policy on review system of policy and procedure and ensure implementation. (In progress)
7. Factory will make a policy on review system of policy and procedure and ensure implementation. (In progress)
8. Factory will make a policy on review system of policy and procedure and ensure implementation as well as ensure authority sign. (In progress)
9. Factory will make a policy on review system of policy and procedure and ensure implementation. (In progress)

Action plan status: In progress

Planned completion date: 04/12/18

## FINDING NO.5

## IMMEDIATE ACTION REQUIRED

## FINDING TYPE: Recruitment, Hiring & Personnel Development

### Finding Explanation

1. The factory's policy states that the appointment letter (employment contract) will be given one to three days from the date of appointment. Except for helpers, appointment letters are issued two to three days after the first day of work to allow time to change wages based on performance. This does not comply with local law and FLA Workplace Code. ER.1
2. During the probation period, evaluation is conducted on the day of hiring and at the end of the first, second, and third months. Workers sign the results of their evaluations from the first two months. After the performance evaluation at the end of the third month, the evaluation results from the previous months are discarded and new data is maintained in an electronic format which is not accessible to workers. Performance evaluations are conducted for workers doing skill-based jobs like tailors, checkers, and packers, but not for helpers (person who assists in various production processes). ER.29
3. After six months at the factory, worker evaluations only occur if a worker is recommended by their supervisors for a promotion or wage increase. This evaluation is conducted by the industrial engineering team. After one year of employment, performance evaluations are conducted for all workers doing skill-based jobs. The evaluation does not include parameters such as discipline, team work, attitude, and initiative. They only evaluate technical skills. ER.29
4. The factory does not share evaluation results with workers and workers do not have access to their evaluations or the right to provide feedback. The evaluations are kept in electronic formats and not documented in writing. The results are communicated to the Human Resources department who are responsible for promoting workers by increasing their wages and changing their designation. While skilled workers get an increase of more than 5% of the basic wage, unskilled workers get the mandatory 5% increase upon completion of every year of service. ER.30, C.1

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.29, and ER.30; Compensation Benchmark C.1)

### Recommendations for Immediate Action

1. Provide appointment letters to workers on the day of hiring.
2. Conduct performance evaluations for all workers; document and share the evaluation results with workers and obtain their acknowledgement of receipt. Maintain related documentation in workers' individual files.

## COMPANY ACTION PLANS

1. Facility has taken initiative to issue Appointment Letter on first day as well as will add this point in the recruitment policy and aware the employees in induction training. (Completed)
2. Factory is taking initiative to make a system by which will share final evaluation with worker. Probation period evaluation is considered by merging 3 months and first two months are not discarded in the evaluation records. (In progress)
3. Facility will include discipline, team work, attitude, and initiative as criteria of evaluation. Factory will include these components that impacts performance evaluation system in personnel development/ performance evaluation procedures and communicate to the workers. (In progress)
4. Factory has taken initiative to share final evaluation with worker. Also they will establish a monitoring system to ensure the system are followed. (In progress)

Action plan status: In progress

Planned completion date: 04/12/18

## FINDING NO.6

### SUSTAINABLE IMPROVEMENT REQUIRED

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

#### Finding Explanation

1. Job descriptions are not provided for any of the management staff who are responsible for any of the Employment Functions. ER.1
2. The factory does not sign any agreement with subcontractors. As stated by management, the factory uses subcontractors approved by customers. ER.11
3. The appointment letter (employment contract) issued to workers state that workers would be hired on probation; however, the probation period is not defined. No letter is issued to workers after the probation period, hence the probation period could not be determined. Management stated that the probation period is three months. Workers are not aware of the probation period. ER.1

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.11)

## COMPANY ACTION PLANS

1. 1. Factory is on process to preparing individual JD and they will start evaluation based on KPI. (In progress)
2. Facility not uses any kinds of Sub-Contractors in factory premises. And also facility has taken initiative to establish outsource work policy and procedure to implement and comply with the outsource work requirements. Even the subcontractors approved by customers, to ensure social compliance in subcontractors, signing an agreement getting approval from the sub-contractors to ensure workers' rights are protected. Factory will also share outsource policy and procedures with their subcontractors. (In progress)
3. Factory will mention probational period in appointment letter as well as take initiative to aware the employees on that issue. (In progress).

Action plan status: In progress

Planned completion date: 04/12/18

## FINDING NO.7

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Compensation

#### Finding Explanation

1. Casual leave of 10 days is available for workers, in addition to 14 days of sick leave, therefore workers do not use the 20 days of earned leave, wages for these 20 days is paid out every year. As per legal requirements, only 50% of unused leave should be paid out annually and the other 50% should be carried over to the next year. The factory pays 100% of earned leave (20 days), instead of only paying out 50% and carrying over the other 50% the following year. Furthermore, because this payment is calculated based on the last gross wage made during the last pay period, workers tend to lose out on earnings if all their leave is paid out each year, since they would have earned more on the other 50% of the leave that should be carried over (considering possible wage revisions in the following year). ER.22, C.5
2. Time records for days worked after the date of the resignation letter through to the last working day is not filed along with documents for calculating terminal dues. ER.2, ER 32.2, C.14, C.15
3. Some workers on the maintenance team work on rest days when required. Work hours are not recorded on rest days. Wages for the day is not paid and instead an allowance of Taka 260 (USD 3.20) is paid which includes a refreshment allowance of Taka 30 (USD 0.30), lunch allowance of Taka 130 (USD 1.60) and work allowance of Taka 100 (USD 1.23). This amount is less than a per day wage of Taka 419 (USD 5.14) applicable to the maintenance team (Grade 2 of gazette notification). There is no pay record with signature of employees to acknowledge receipt of allowance. Based on expense statement for July 16 and 22, 2017, 8 employees worked on July 14, 2017 and 4 worked on July 21, 2017 which are rest days. Records for previous months were not available for review as management stated that they were sent to accounts department. ER.18 and C.7
4. A copy of the letter communicating the legally mandated annual wage increase and promotion issued (filed in their personnel files), is not signed by the worker to acknowledge the terms of employment. ER 30.1.2, C.17
5. The service books are not updated with information on earned leave for individual workers. C.1
6. All employees from the maintenance team are designated as staff and not workers. These workers work on rest days when needed, and are not paid additional wages for the day; instead they are given an allowance of BDT 260 (USD 3.20) which includes a refreshment allowance of BDT 30 (USD 0.37), lunch allowance of BDT 130 (USD 1.61), and work allowance of BDT 100 (USD 1.24). This amount is less than a per-day wage of BDT 419 (USD 5) for the maintenance team (Grade 2 of gazette notification). Legally, staff are not entitled to compensation for overtime or work done on rest day. Per legal definition, these employees are “workers” and not “staff” category. C.1, C.7

#### Local Law or Code Requirement

Bangladesh Labour Code 2006(Amended in September 2015) Chapter 9, section 102 and 107(2), Chapter II, section 2 (65), section 5, and section 6; FLA Workplace Code (Employment Relationship Benchmarks ER.18, ER.22, ER.30 and ER.32.2; Compensation Benchmarks C.1, C.5, C.7, C.14, C.15, and C.17)

#### Recommendations for Immediate Action

1. Pay out only 50% of the available leave and carry over the remaining 50% of leave to the following year.
2. Maintain time records for all days worked, including those between the date of resignation and the actual last working day, to accurately calculate terminal dues.
3. Compensate workers as legally required for work done on rest days. Maintain all related records.
4. Ensure workers sign a letter communicating promotions and wage increases.
5. Update service books should to provide information on leaves.
6. Review category of employment for the 96 employees from maintenance team and designate accurately as per legal definition of “worker” and “staff”.

## COMPANY ACTION PLANS

1. 1. Due to worker demand and its been paid from long since. So it has become a customs. So, it's a sensitive issue for worker. But factory will try to motivate worker to change the policy. Factory will ensure that workers are provided sufficient information on calculation on paid leave including comparement of current year payment and following year payment in terms of their benefits, workers do not lose any legal earnings. (In progress)
2. Factory will keep the worked information with the documents to calculate the terminal dues. (Completed)
3. Facility has taken initiative to follow the labour law and Rules. Factory will record working on rest days, Keeping these records, making legal daily payment and reflecting it to payroll with the signature of the workers. Factory will be provide another day during the following week as rest day to these workers in case the factory needs to rest working. (Completed)
4. Factory has taken initiative to ensure worker signature in increase and promotion issued latter. (In progress)
5. Factory will try to motivate worker to change the earn Leave encashment policy once possible to change and implement then will start updating the Service Book as well. (In progress)
6. Facility has taken initiative to follow the labour law and Rules. (Completed)

Action plan status: In progress

Planned completion date: 04/12/18

## FINDING NO.8

### IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

### Finding Explanation

1. The factory gives workers a lunch break from 12:30 to 13:30. Thereafter, workers work until 17:00 and overtime up to 19:00. The factory does not provide a break between 13:30 and 19:00 (5.30 hours). Legally, a 30-minute break is required after five hours of work. HOW.3
2. The factory's production plan is for ten hours of work each day. ER.24, HOW.1, HOW.8
3. The employees from the maintenance team that work on rest days do not have their hours recorded on rest days. Based on expense statements dated July 15 and 22, 2017, eight employees worked on July 14, 2017 and four worked on July 21, 2017 resulting in 19 days of continuous work. ER 23, HOW.2
4. The factory does not identify pregnant or lactating workers to ensure legal protection concerning working hours. HOW.5

### Local Law or Code Requirement

Bangladesh Labour Code 2006 (Amended in September 2015) Chapter 9, Section 101(b) and Section 104; FLA Workplace Code (Employment Relationship Benchmarks ER.23 and.24; Hours of work Benchmark HOW.1, HOW.2, HOW.3, HOW.5, and HOW.8)

### Recommendations for Immediate Action

1. Provide a 30-minute break after five continuous hours of work.
2. Base production planning on eight hours of work and not ten hours.
3. Maintain time records of workers for work done on rest days and provide compensatory leave for work done on rest days, as legally required.
4. Provide all workers with at least one day (24-consecutive hours) of rest for every seven-day period.

## COMPANY ACTION PLANS

1. Facility is trying to avoid work after regular working hours. Besides that factory has canteen facility where workers can go anytime and take break. There is no restriction. So requesting to consider the issue as it is industrial practice. Factory will ensure workers are taking break, designate a time frame for legally required break that workers need to use when they work overtime. (Completed).
2. Now facilities do the Production Plan based on 9 Hours. Already reduce 1 hour. However, factory has plan to prepare production Plan based on 8 hours or regular working hours. The workers do not work overtime as regular practise. (In progress).
3. Factory has taken initiative to follow the labor law and ensure rest day as well as they will establish a system to ensure rest day. Factory also will record rest day working. (Completed).

Action plan status: In progress

Planned completion date: 04/12/18

## FINDING NO.9

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Grievance System

### Finding Explanation

1. There is no policy for non-retaliation against workers who make complaints ER.1
2. The factory has a register to record submitted grievances; however, there are no entries of any grievances submitted or addressed. Based on management and worker interviews, grievances are reported verbally and are addressed. Grievances that have been reported pertain to cleanliness of toilets and dining areas, short supply of drinking water, and inadequate space in the prayer room. All of these have been resolved. The minutes from the meetings of the Participation Committee (one of the channels used to report grievances) do not reflect any grievances reported or discussed. ER 25

### Local Law or Code Requirement

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

## COMPANY ACTION PLANS

1. Facility has taken initiative to make non-retaliation policy to make sure safety precautions that who raise the complaints. (In progress)
2. Factory will make a policy and procedure on how to implement and record grievances. Factory will ensure that workers are trained on created policy and procedures. (In progress)

Action plan status: In progress

Planned completion date: 04/12/18

## FINDING NO.10

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Environmental Protection

##### Finding Explanation

1. Waste material storage areas are not marked with the type of material being stored. HSE.9
2. Hazardous waste like fused electric lights are stored adjacent to surplus garments packed in cartons and bags. ER.31
3. Hazardous waste, such as electrical and electronic waste, are sold to scrap dealers. Bio medical waste is disposed of in the municipal dust bin. HSE.1
4. Fused tube lights and electrical equipment are stored on the floor and not in labelled closed bins. HSE.1
5. No spill response kit is provided in the diesel storage area. HSE.9
6. The factory does not have an alarm notification system. HSE.9

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety, and Environmental Benchmarks HSE.1 and HSE.9)

##### Recommendations for Immediate Action

1. Mark the storage area for waste material with the type of material stored and ensure electric, electronic, and medical waste is disposed of through authorized waste handlers.
2. Store fused tube lights and electrical equipment in designated and labelled containers.
3. Provide spill response kits in the diesel storage areas.

### COMPANY ACTION PLANS

1. Facility will re-designate and mark the wastage store after completion the retrofitting. (In progress)
2. Factory has completed the retrofitting work and electric wastage are kept properly as per the procedure developed. (Completed)
3. Facility will contact with Electronic Supplier to return back electronic waste and take initiative to properly dispose electronic waste and Medical waste once retrofitting will finish. (Completed)
4. Factory will use label closed bin for such material. (Completed)
5. Factory will instal spill response kit. (In progress)
6. Facility has Alarm notification system but due to retrofitting work factory has inactivated some area. However, factory will activate alarm notification system.

The factory has operating alarm system all the time, as long as the workplace operates. Factory will include in Helath and Safety procedures that how alarm system keep open during any maintenance or rearrangement in the factory. (In progress)

Action plan status: In progress

Planned completion date: 04/12/18

## FINDING NO.11

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. Currently 725 workers are trained in firefighting which is 15 % of total workers. The factory does not have information on the number of workers from each production process that are trained. Legally, 18% of workers in each production process must to be trained. HSE.6
2. An area near the main gate is marked as an assembly area. This area cannot accommodate 100% of workers. Additionally, vehicles are parked in this area which further reduces the space. HSE.5
3. Emergency lights are not installed above exits from the dining areas and cutting sections located adjacent to dining areas. Emergency lights installed on rear staircase landings are lights used for domestic lighting which is not visible through smoke in the event of fire. Illumination level of emergency lights installed above exits were randomly inspected and from a three-foot distance were measured at 2 to 5 lux. HSE.5
4. The evacuation route and passage is not marked in the band knife cutting section of the other factory that shares the building. HSE 5
5. In the sewing sections, there are instances of two to three workers working at one work station or at adjacent work stations located very close to each other. These work stations are congested and do not allow free and quick access to passages. In most cases, the back of the chairs of workers working at adjacent work stations touch each other as worker face opposite directions. There is no space available for workers to push back their chairs and access evacuation paths. In one case, one of the two workers with this seating

arrangement was a pregnant worker. HSE.5

6. Access to passages for workers from the checking section was blocked by hanger stands placed behind them (workers are blocked between the checking tables and hanger stands). In three instances noted on the sewing floor, workers' access to evacuation paths are blocked with a table on their left, sewing machine in front, co-worker on the right and pillar behind. In the buttoning section, three workers sit adjacent to each other which confines a worker to the middle. The thread sucking section on the second floor in Building 1 is congested without clear access to evacuation routes. HSE 5

7. The evacuation log reflects information on the total number of workers evacuated. However, the attendance report for each day is not filled in which contains information on the number of workers present at work. Additionally, the evacuation log does not include information of number of children present in the child care room and evacuated and information on office staff, supervisors, management, visitors and external workers present and evacuated. Pictures of the evacuation shown to the assessor showed workers evacuating from work areas but not pictures of workers assembled at designated areas or the process of head counting and debriefing. HSE 5

8. There is lint on all the smoke detectors in all work areas. HSE.5

#### Local Law or Code Requirement

Bangladesh Factories Rules 1979, Section 51; Bangladesh Labour Rules 2015, Chapter 6, Section 55(10); FLA Workplace Code (Health, Safety and Environment Benchmark HSE.1 and HSE.5)

#### Recommendations for Immediate Action

1. Train 18% of workers in firefighting as legally required.
2. Provide adequate space to accommodate 100% of workers in assembly areas.
3. Install emergency lights above exits from dining areas and cutting section located adjacent to dining areas. Replace the domestic lights used as emergency lights at the rear staircase landings with lights used for industrial purpose. Ensure adequate illumination level of emergency lights installed above exits.
4. Mark evacuation route and passage in band knife cutting section located in the floor used by the other factory in the same building.
5. Decongest sewing and finishing sections to provide adequate access to passages from work stations.
6. Accurately maintain and record attendance for each day along with evacuation log. Provide information on number of children present in child care room and evacuated and information on office staff, supervisors, management, visitors and external workers present and evacuated.
7. Clean the smoke detectors and ensure lint does not accumulate on smoke detectors.

### COMPANY ACTION PLANS

1. 1. Factory will calculate no of workers of each production process and provide further training to fulfil the requirement as per rules. (Completed)
2. Factory has plan to increase assembly area and separate parking area for vehicles. (In progress)
3. Factory will install emergency lights in mentioned area and also check the quality of installed one. As well as they will ensure the illumination level of emergency lights by checking. (Completed)
4. Factory will mark evacuation route and passage in the band knife cutting section. (In progress)
5. Factory will rearrange the production layout to make sure available space and safe work station. (In progress)
6. Retrofitting work is in last stage. However, facility has taken initiative to prepare a new layout plan and rearrange the workplace, to ensure obstacle free pathway and safe work place. (Completed)
7. Facility will prepare evacuation procedure considering the steps of Evacuation, Ensure section wise designated Assembly area and also be assured children of the child care center, pregnant workers, office staff, supervisors, management, visitors and external workers were safely evacuated and Head counting. Attendance log for each day will be filled and pictures of full evacuation process will be kept. (In progress)
8. Factory has taken initiative to clean all the smoke detector. Smoke detectors are checked and cleaned regularly. (Completed)

Action plan status: In progress

Planned completion date: 04/12/18

## FINDING NO.12

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

1. Workers working near the thread sucking machine, arm hole fusing machine and front placket fusing machine are not provided with ear plugs. Dust masks used by some sewing machine operators do not completely cover their nose and mouths completely to prevent breathing in of fabric dust. Approximately, 65% of sewing machine operators on the sewing floors on the first and second floors of

- Building 1 and 2 and 95% of workers in the sewing line located adjacent to the finished goods store on the ground floor of Building 2 are not using dust masks. HSE.7, HSE.8
2. Workers in the cutting section responsible for panel layering are not provided with finger guards to prevent injury from sharp needles used to hold panels in place. HSE.7, HSE.8
  3. A worker in the sewing section has covered half the sewing machine with a piece of cardboard to prevent dust (she was not wearing any dust mask) leaving only the needle point exposed, HSE.7
  4. Anti-fatigue mats are provided to approximately 70% of standing workers. Work stations are not adjustable in height. Bricks are placed under the legs of the checking tables for male workers in order to add height to the tables. Sitting workers use two cushions on their chairs to add height. Approximately 30% of workers use two or three chairs stacked together to add height. HSE.17
  5. Lifting belts are not provided to loading workers. HSE.17
  6. Workers do not use fall protection equipment when needed. Though maintenance workers stated they use helmets, no helmets were seen. Construction workers work at heights but do not use helmets. The platforms they stand on are not stable. They do not receive any safety training. HSE.7, HSE.8
  7. Workers using heavy duty hand held drill machines for drilling into concrete floors are not provided with eye shields, dust masks, or earplugs to protect them from flying pieces of concrete, dust, and excessive noise from the drilling machines. Some of these workers cover their nose with their clothing. Lighting is very low in the work areas where there is construction and risk of injury is high as work areas and in the areas under construction, floors are dug up and iron rods are being placed for flooring. At the time of the assessment, these rods were uncovered and were protruding which could cause injury to workers. HSE.1, HSE.7, HSE.8
  8. Needle guards are pushed upwards on approximately 70% of sewing machines rendering them ineffective in protecting fingers of workers using the sewing machines. HSE.14
  9. Safety covers are not installed on the legs of hanger stands resulting in risk of injury to workers if they walk into the hanger stands. HSE.1
  10. There are no anti-skid stoppers on one of the four legs of the ladders. Three out of five ladders are missing anti-skid stoppers. HSE.1
  11. Gloves are missing from the first aid kits located in the fabric inspection section and in one of the kits in the sewing section on the second floor of Building 1. Gloves are available in all other kits but were kept in open packets instead of in sealed sterilized packets. HSE.18
  12. The Medical Clinic is not open beyond regular working hours, such as during overtime hours. HSE.18
  13. The First Aid Team comprises of 3% of the workforce instead of 6%, as legally required. HSE.6

#### Local Law or Code Requirement

Bangladesh Factories Rules 1979, Chapter IV, sections 40, 42, 49 55 and 56; FLA Workplace Code (Health & Safety Benchmarks HSE.1, HSE.7, HSE.8, HSE.14, HSE 17, and HSE.18)

#### Recommendations for Immediate Action

1. Provide ear plugs to workers working near the thread sucking machine, arm hole fusing and front placket fusing. The dust mask used by sewing machine operators should completely cover their nose and mouth to prevent breathing in fabric dust.
2. Provide finger guards to workers in the cutting section who are responsible for panel layering to prevent injury from sharp needles used to hold panels in place.
3. Post safety instructions for operating machines. These should be in the local language.
4. Make appropriate and safe arrangements to increase height of tables and chairs instead of using bricks under legs of tables and stacking multiple chairs and cushions.
5. Provide construction workers with fall protection, dust masks and ear plugs as required based on nature of work. Provide maintenance workers use helmets when working at heights.
6. Provide appropriate needle guards and monitor to ensure these are kept in place to prevent finger injuries.
7. Install safety covers on the legs of garment hanger stands to prevent injury to workers.
8. Provide anti-skid stoppers on at least one of the four legs of the ladders used for maintenance work.
9. Provide sanitized and sealed hand gloves in all first aid kits. Regularly check first aid kits for the right content.
10. Open the Medical Clinic beyond regular working hours, such as during overtime hours, as legally required.
11. Train 6% of workers in first aid procedures, as legally required.

## COMPANY ACTION PLANS

1. Facility will provide Ear Plug and proper size face mask to the mentioned area and where applicable. Also will establish the monitoring system to ensure PPE. (In progress)
2. Factory is looking that type PPE. However once they get, they will provide required PPE for panel layering workers to ensure finger safety. (In progress)
3. Facility has taken initiative to provide Dust Mask to sewing Operators. Also they are on process to establish a monitoring system to ensure workers safety and PPE as per work process. (In progress)
4. Facility will provide Anti-fatigue mats and adjustable work station/chairs to adjust the height during work. (In progress)
5. Facility will provide Lifting belts to loading workers. (In progress)
6. Facility will establish a monitoring system to ensure use fall protection equipment when needed. Also availability of equipment's/PPE as well as provide safety training. (Completed)
7. Factory will provide with eye shields, dust masks and earplugs to protect them from flying pieces of concrete at Civil work areas. Factory will establish monitoring system ensure PPE and usages. Factory will not to place iron rods unprotected which may cause injury and providing sufficient lighting for construction areas. (In progress)

8. Facility will established a monitoring system to ensure the use Machine Safety as well as availability of safety guard in the machine. Factory will also provide training to workers on usin machine guards. (Completed)
9. Facility will cover the Legs of Hanger Stand by required materials to ensure risk free when the workers walk into the hanger stands. (In progress)
10. Facility will provide and ensure anti-skid stoppers on legs of the ladders. (In progress)
11. Facility will establish internal compliance monitoring team to ensure requirements and Medical team has asked to provide First Aid kits in the Mentioned Box. (Completed)
12. Facility has two doctors and 05 Nurse and Medical Assistant. Doctors are available regular working hours. Besides that now Medical Centre is open for all working hours such as during overtime hours. Responsible Medical Assistant has assigned for that hours, also factory has contacted with near hospital to provide medical support. As well as they have ambulance for emergency medical support. So requested to consider this issue. (Completed)
13. Facility will prepare First Aid Team considering the requirement as well as ensure the training. (Completed)

Action plan status: In progress

Planned completion date: 04/12/18

## FINDING NO.13

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The factory has not marked traffic lanes and walk paths inside the factory. The factory has not provided any visual management such as speed breakers, indicators, convex mirrors in blind turns and reflectors to ensure safe driving practices on factory premises. HSE.1
2. The electrical installations in the cutting and sewing sections have accumulated lint, which is a fire risk. HSE.13.
3. The underground diesel storage tank located near the entrance of the factory and the underground water tanks near the fire pump hose are confined spaces, but do not have signs indicating them as such. HSE.1
4. The factory does not have the appropriate rescue equipment for persons entering confined space. HSE.1
5. The factory has not established a lockout-tagout procedure for use during maintenance. HSE.1
6. The factory does not provide health & safety information to contractors. HSE.1
7. The elevators are inspected every month by representatives of the firm that installed the elevators. The inspectors do not have competency certificates. The inspection date is not recorded on the reports. Assessors got stuck in an elevator as the doors did not open upon reaching the floor. The operator had to call out to a worker outside who forced the doors open from the outside. Load capacity is posted inside the elevators but not outside to warn loaders. HSE.1, HSE.4
8. The elevators are not marked for their use (Cargo and/or Passenger). Passengers use a large elevator that is dedicated to moving cargo. The sign posted inside all elevators allow 33 persons to travel. HSE.1, HSE.2, HSE.14
9. Safety instructions for operating machines are not posted or displayed at all. HSE.14.3
10. No light is provided in the fabric storage area on the ground floor of Building 1. Workers move around in these areas to stack fabric bundles. HSE.13
11. The factory is currently strengthening the pillars (columns) on the ground and part of the first floor of Building 1. Some construction material has been placed on the evacuation route on the first floor. Warning signs are not posted to warn workers and restrict movement of those working in adjacent production areas. The rear exit from the sewing section on the first floor of Building 1 leads to the ground floor where construction work is in progress. The construction area has uneven flooring and iron rods pointing up. Warning signs are not posted and the exit from this area is not restricted, this is necessary as use of this exit during an evacuation process would result in critical injuries to workers. HSE.1
12. Assessors randomly inspected two out of three forklifts; the load capacity is not marked on one of two forklifts. HSE.14
13. The factory has not installed a fence for pulleys (moving part) driving the cargo lift. HSE.1

##### Local Law or Code Requirement

Bangladesh Factories Rules 1979, Chapter IV, Sections 24, 37, 40, 46 and 49; FLA Workplace Code (Health & Safety Benchmarks HSE.1, HSE.2, HSE.4, HSE.13, and HSE.14)

##### Recommendations for Immediate Action

1. Mark traffic lanes and walk paths inside the factory and provide visual management such as speed breakers, indicators, convex mirrors in blind turns, and reflectors to ensure safe driving practices on factory premises.
2. Clean electrical installations in the cutting and sewing sections to keep them free of lint.
3. Post signs at the entrance of all confined spaces throughout the factory.
4. Provide appropriate rescue equipment for persons entering confined spaces.
5. Establish and implement a lockout-tagout procedure for maintenance work.
6. Provide safety information to contractors involved with construction work.
7. Ensure elevators are inspected by competent inspectors and record date of inspection in the reports.
8. Mark load capacity outside the elevators to warn loaders.

9. Provide lifting belts for loading workers.
10. Mark elevators for their intent. Monitor and ensure passengers do not use the elevators for cargo use. Ensure lifts are inspected by competent inspectors and are maintained in working conditions at all times.
11. Provide adequate lighting in the fabric storing area on the ground floor of Building 1 while workers are working.
12. Post warning signs restricting movement of workers in areas where construction activity is being done. Ensure construction material is not placed on any evacuation route. Post warning signs regarding the uneven flooring and iron rods near the rear exit from sewing section on first floor of Building 1 which leads to the ground floor where construction work is in progress.
13. Mark load capacity on forklifts.
14. Install safety fence for the cargo lift pulleys.

## COMPANY ACTION PLANS

1. The facility mark traffic lanes and walk paths inside the factory. And provide indicators, convex mirrors in blind turns and reflectors to ensure safe driving practices on factory premises. (In progress)
2. Facility already installed BBT for 26 Lines and they are on process to open LC for rest of BBT. This will be in hand and completed the installation by June 2018. Meanwhile they will clean the lint and dust. Also will establish monitoring system to ensure lint free electrical connections. (Completed)
3. Facility already marked the confined spaces (Underground Diesel Storage Tank and Water Tank). (Completed)
4. There is very less chance to happen incident in confined space. However, factory will arrange safety belt with rope to rescue the persons at confined space if happen any incident. (In progress)
5. Facility will implement the Lock out Tag out Policy and Procedure. (Completed)
6. Facility has established outsourced employees policy and procedure which includes health & safety information's for Contractors. (In progress)
7. Factory has inspected the Elevator by the competent company having competency and experience in this job. (Completed)
8. Facility has taken initiative to mark in front of Elevators that Cargo or Passenger with persons and pound for capacity. (In progress)
9. Facility will prepare and post the operating Instructions of Machines. (In progress)
10. Facility will provide emergency light which may cover sufficient lighting to stack fabric bundles. (In progress)
11. Retrofitting work is in last stage and which will be completed by 31 December 2017. Meanwhile factory has posted the warning signs in required places where construction work is going on. (In progress)
12. Facility will mark the Forklifts Load Capacity. (In progress)
13. Facility will provide fence for moving part at Cargo Lift. (Completed)

Action plan status: In progress

Planned completion date: 04/12/18

## FINDING NO.14

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. Childcare workers do not go through the appropriate pre-work screening process. No training is provided to child care workers who work in child care. HSE.1
2. There are excessive leaks from the roof of the dining areas. Rain water seeps through the roof making the floors wet and slippery. No warning signs are displayed to warn workers. HSE.19
3. There is no price list displayed for the snacks sold in the canteen.
4. Insect and fly repellents are not installed in the dining areas. HSE.19
5. The doors on all eight female toilets on the first floor of Building 2 are partially damaged; none of the flushes are operational. There is no soap, hand drying facility or trash cans with lids in the female toilets. The factory provides the male toilets with a towel for drying hands, which is unhygienic. The housekeeping standards for all toilets is poor. There is a foul smell as one climbs down from the rear exit of canteen area as it is right by the toilet. HSE.20
6. Waste material was seen stored in cloth bags hanging above the rear staircase from the canteen. HSE.1
7. The factory only provides shared reusable cups at the drinking water stations for workers. HSE.23
8. Workers were seen collecting drinking water in bottles from the hand wash points which may be a health risk as water at the hand wash point is not purified. HSE.23

##### Local Law or Code Requirement

Bangladesh Factories Rules 1979, Section IV, sections 25 and 28(4) and Chapter V, sections 58 and 60; FLA Workplace Code (Health & Safety Benchmarks HSE.1, HSE.19, HSE.20 and HSE.23)

##### Recommendations for Immediate Action

1. Children and Childcare workers should go through an appropriate pre-work screening process and the factory should provide adequate

training to child care workers.

2. Plug the leaks from the roof of the dining areas to prevent rain water from making the floor wet and slippery. Display warning signs to warn workers of the wet floors.
3. Post the snacks' price list in the canteen.
4. Install insect and fly repellents in the dining areas.
5. Replace damaged doors on the eight female toilets on the first floor of Building 2. Ensure the flushes are functional. Provide soap, hand drying facility and trash cans with lids in female toilets. Replace the towels provided in the male toilets with hand dryers for drying hands. Improve the housekeeping standards of all toilets.
6. Remove the stored waste material from the roof the staircase from the canteen.
7. Make appropriate arrangements for safe drinking water instead of providing one or two cups for use by workers.
8. Educate workers and ensure they do not fill bottles with unpurified water from the hand wash points which may be a health risk.

## COMPANY ACTION PLANS

1. 1. Facility will collect the training documents and ensure pre-work screening process and training for child's attendees. (In progress)
2. Retrofitting work is going at factory premises and its last stage now. However, facility has taken initiative to post warning sign at required places. (In progress)
3. Facility already posted the price list at Canteen. And will establish a monitoring system to ensure the requirements. (In progress)
4. Facility will install Insect and fly repellents in the dining hall area. Also will establish a monitoring system by check list that requirements will be ensured. (In progress)
5. Factory has improved the cleaning and hygien practice in the Male & Female toilets and monitoring regularly. Soap, Towel has been provided and maintenance work has been done successfully. And this monitoring task has also been included the monitoring checklist of the Compliance Dept. Factory will operate flushes and ensure that toilets are cleaned more often. (Completed)
6. Facility has taken initiative to remove waste materials from the mentioned area. (In progress)
7. Factory will discuss with customers to remove the Glass from Drinking water point. Sharing cups can spread disease among the workers. Therefore factory may provide disposable cups, or each worker has their own cup. (In progress)
8. Facility has taken initiative to motivate workers to avoid water collecting from Hand wash area. Also establish a system to monitor and ensure that workers will not collect Drinking Water from that place. (In progress)

Action plan status: In progress

Planned completion date: 04/12/18