



2008

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: adidas Group, Nike, Inc.,
SanMar Corporation, Outdoor Cap
Company

COUNTRY: Bangladesh

FACTORY CODE: 530305802G

MONITOR: Phulki

AUDIT DATE: August 4-5, 2008

PRODUCTS: Caps

PROCESSES: Cutting, Sewing, and
Finishing (Ironing and Packing)

NUMBER OF WORKERS: 1,958



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Harassment or Abuse: Discipline/Freedom of Movement

H&A.12 Employers shall not unreasonably restrain the freedom of movement of workers, including movement in canteens, during breaks, using toilets, accessing water, or to access necessary medical attention, as a means to maintain labor discipline. (S)

Noncompliance

Explanation: Workers informed monitors that when they fell sick and visited the medical room for rest, the nurse did not allow them to take rest in the room. The workers felt that they were not getting appropriate attention from the factory nurse.

Plan Of Action: 1. Workers' grievances with the clinic staff (i.e., nurse) are a repeated issue found during internal audits. Factory must set up an independent inquiry into the workers' grievances regarding the clinic staff's misbehavior and delivery of clinic services. The nurse's authority must be reviewed based on the inquiry result.

2. Through a formal letter, clear directions must be given to the nurse regarding the allowance of workers taking rest in the clinic. If the nurse has concerns over the rest being taken by workers, she must report her concern in writing to the HR department with a clear explanation.

Deadline Date: 03/31/2009

Action Taken: Update by adidas March 5, 2012: [Done]

1. Worker and management interviews and record review confirmed that factory has hired a new doctor from December 2011 who attends duty from 8:00am. Factory also has a full-time female nurse appointed by factory who provides health care services to workers. Workers confirmed that they are treated well in the factory's medical center and are allowed to take rest if necessary. Factory has submitted document evidence of having made an agreement with the nearest hospital, [Local hospital name], which will provide health care services to [Factory name] workers if there are any needs. Factory continues to use the feedback system they introduced in 2010, where workers can fill in a medical service feedback form and put their suggestions/feedback in the drop box. Factory can take action based on these forms to improve quality of service, thus minimizing the gaps between clinic staff and workers.

2. Record review confirmed that factory also has issued a formal letter to the nurse, which was received and acknowledged by the nurse confirming clear roles and responsibilities of staff nurse regarding provisions of workers treatment at medical center.

Update by adidas June 26, 2011:

1. Worker interviews confirmed that a doctor visits the factory from 11:00am-4:00pm, but if they feel sick or are hurt prior to 11:00am or after 4:00pm, they may not receive proper attention from the nurse, as the clinic is understaffed when a doctor is not available. Factory continues to use the feedback system they introduced in 2010, where workers can fill in a medical service feedback form and put their suggestions/feedback in the drop box. The factory can take action based on these forms to improve quality of service, thus minimizing the gaps between clinic staff and workers. Factory did not receive any written complaints from workers related to the doctor coming in late or leaving early. Factory has informed SEA Team that they will hire a new doctor within 2 months and will have a relationship with the nearest hospital, i.e., [Local hospital name], so that workers can get better health care service.

2. Factory is yet to issue a formal letter to the nurse mentioning clear directions regarding the allowance of workers taking rest in the clinic. Factory should make sure to issue formal letter to nurse stating clear directions regarding the allowance of workers taking rest in the clinic.

Update from adidas May 5, 2010:

Worker interviews confirmed that they are treated well and are allowed to take rest in clinic. Sick leaves are granted based on their health condition and emergency. It was also confirmed that workers receive proper treatment from clinic staff. Factory has displayed a notice to inform all workers of the services available at clinic, with pictures of the doctor and nurse. The factory has also introduced a feedback system where workers can fill in a medical service feedback form and put their suggestions/feedback in the drop box. The factory can take action based on these forms to improve quality of service, thus minimizing the gaps between clinic staff and workers. Update from adidas October 26, 2009: Worker interviews confirmed that they are allowed to take sick leave and that sick leave is granted if workers are sick. Workers also confirmed that the nurse is now fully cooperative and provides proper treatment to workers. However, the factory did not issue or submit any formal letter to the nurse. Factory should follow above corrective action plan (stated on August 4, 2008); this is to be verified during next visit.

Update from SanMar:

Factory management is aware of complaints involving the clinic staff. For this reason, management has verbally reminded the clinic staff of expectations regarding the treatment of all workers, especially those feeling sick and visiting the medical room for rest or attention. As no written complaints have been received, factory management now maintains a complaint register in front of the medical room. It has been communicated to all workers that they may provide written complaints to either the complaint box or the welfare officer directly. Factory management will review the progress and take action against further grievances received, ensuring that proper care is provided to all workers.

Plan Complete: Yes

Plan Complete Date: 03/05/2012

Health and Safety: Worker Consultation

H&S.4 The health and safety policy shall be developed and implemented in consultation with workers or their representatives. (P)

Noncompliance

Explanation: Factory management did not consult with worker or workers' representatives in the development of H&S policy; they did consult with them during its implementation.

Plan Of Action: Factory to continue consulting with workers' representatives on implementation of the Health, Safety and Environment (HSE) Policy. Factory should review policy, revising as necessary, based on evaluation of its implementation, along with feedback from both management's internal review and from worker/workers' representatives.

Deadline Date: 04/30/2009

**Action
Taken:**

Update from adidas November 2012:

Record review and management interview confirmed that factory has consulted worker representatives during worker-management communication committee meeting regarding revision of HSE policy. Worker representatives indicated that there is a requirement for enhancing evacuation procedures, especially during unforeseen situations, such as an earthquake. Based on worker representatives' opinion, factory has revised their evacuation procedures and included procedures to be followed during unforeseen situations, such as earthquakes. Factory management will continue to consult with worker representatives in order to revise/make changes in HSE policy if required.

Update from adidas March 5, 2012: [Partially done]

Factory has still not consulted with worker representatives in the development of HSE policy. The issue is pending since the last audit. Update from adidas June 26, 2011: [Partially done] Factory has not consulted with workers' representatives in the development of the HSE policy and rather directs them to follow the policy. Factory is advised to encourage employees to bring forth their suggestions and feedback in developing the HSE policy. Management interviews found that factory has started working on revision of the HSE policy. However, worker interviews found that their feedback and revision is not included. Factory is advised that HSE policy should be made in consultation with workers or workers' representatives in order to have proper implementation; timely feedback from workers' representatives will help devise necessary changes or improvements to the policy.

Update from adidas May 5, 2010: [Partially done]

Record review and management interviews found that the factory has appointed a Safety Officer and that Safety Committee is actively functioning. Document review and worker interviews found that: committee only has 1-sided communication; management is directing committee members to follow instructions; and there is no feedback from workers' side pertaining to the factory's H&S conditions.



Update from adidas October 26, 2009: [Partially done]

Factory has implemented JESH Committee with worker representation; however, they found committee is not fully functional, as employee members are not aware about their duties and responsibilities. Additionally, it was found that committee is not constituted properly. Management is advised to appoint Safety Officer who can act as Committee Secretary. It was noted that neither agenda nor minutes are available for the meeting to ensure further improvements and employee feedback. Update from SanMar: Factory conducted 3 days of health and safety training, consulting directly with workers' representatives on the development of improved health and safety policies under the title of Integrated Management System. In addition, a JESH (Joint Environmental, Health and Safety) Committee, with worker representation was established in April 2009. The main function of the committee is to participate in the ongoing development and implementation of EHS programs and to address specific workers' complaints and suggestions concerning EHS.

Plan Yes
Complete:

Plan 11/25/2012
Complete
Date:

Health and Safety: Safety Equipment and First Aid Training

H&S.10 All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be available in sufficient numbers throughout the factory, maintained and stocked as prescribed and easily accessible to workers. A sufficient number of workers shall be trained in first aid and fire fighting techniques. (S)

Noncompliance

Explanation: 1 first aid kit was not well equipped with sufficient medicine.

Plan Of Action: 1. First aid kits must be immediately restocked after use and the expiration dates must be controlled appropriately.

2. Appoint a responsible person for each first aid kit to carry out regular inspection, restock and control the expiration dates.

3. Medicine should be provided under advice from nurse/doctor in clinic and not provided in the first aid kit.

Deadline Date: 03/31/2009

Action Taken: Update from adidas June 26, 2011: [Done]

First aid kits have been made available; during the visit they were found properly stocked. Factory has nominated people to make sure of content availability. Factory has appointed a nurse to make sure of the availability of first aid contents and assistance when needed. Management has assigned nurse to check the first aid boxes and contents to control the expiration of first aid contents.

Update from adidas May 5, 2010: [Done]

First aid supplies are available in the first aid boxes and replenished on a scheduled basis.

Update from adidas October 26, 2009:

First aid supplies are available in the first aid boxes and replenished on a scheduled basis. Factory is advised to ensure that first aid supplies are available all times; timely replenishment should be taken care by the nominated personnel.

Update from SanMar:

All first aid boxes are well equipped with first aid supplies. Factory management has assigned the nurse and first aid trainers to check the first aid boxes at least monthly, ensuring they remain equipped with sufficient supplies and are replenished whenever necessary.

Plan Complete: Yes

Plan Complete Date: 06/26/2011

Health and Safety: Personal Protective Equipment

H&S.11 Workers shall be provided with effective and all necessary personal protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to health and safety hazards, including medical waste. (S)

Noncompliance

Explanation: Factory management supplied earplugs to workers in the embroidery section, but some workers did not use them.

Plan Of Action: 1. Conduct training on personal protective equipment (PPE) (ear protection) usage for workers, including the risk of excessive noise exposure, the function of PPE and instructions on wearing PPE properly.

2. Develop internal monitoring to ensure proper PPE usage.

Deadline Date: 04/30/2009

Action Update from adidas June 26, 2011: [Done]

Taken:

1. Factory has conducted training on usage of PPE. Earplugs were made available to workers working in noisy operations.

2. Factory has started conducting HSE internal audits and Safety Officer has been made responsible for the usage of PPE.

Update from adidas May 5, 2010: [Partially done]

PPE available for workers engaged in noisy operations; however, no earplugs were available for the workers working in the vicinity of noisy operations, such as helpers, etc.

Update from adidas October 26, 2009:

Earplugs were made available for the employees engaged in the embroidery section. However, pressing machine operators were not using PPE like. The noise level was 90-95 dBA in the press machine area. Factory is advised to keep a record of issuance of all PPE; workers may be made aware about the usage and benefits of PPE. Factory is advised to obtain workers' feedback in order to encourage PPE usage.

Update from SanMar:

Embroidery operators are now using earplugs. Supervisors are now responsible for monitoring that all workers use PPE, including ear protection, appropriately. Management has indicated that ear protection and equipment will be included in PPE training for all workers at least twice a year. A training logbook was provided for review, showing training content, date of training, and employee signatures. The last training was conducted February 12, 2009.

Plan Yes

Complete:

Plan 06/26/2011

Complete

Date:

Health and Safety: Machinery Maintenance and Worker Training

H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly guarded. Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use. Employers shall ensure safety instructions are either displayed/posted near all machinery or are readily accessible to the workers. (S)

Noncompliance

Explanation: Employer did not display/post the machine usage instructions near the machinery for workers.

Plan Of Action:

1. Factory to develop instructions for machine/equipment operation.
2. Conduct training for proper usage of machines, tools and equipment.
3. Display/post instructions regarding the safe and proper usage of machinery and equipment in the workstations.

Deadline Date: 04/30/2009

Action Taken: Update from adidas March 5, 2012: [Done]

2. Worker interviews and factory walkthrough confirmed workers have been explained to and trained on how to handle tools and equipment. SOPs of machines were displayed in prominent locations near machines.

Update from adidas June 26, 2011: [Done]

1. Standard operating procedures are now developed.
2. Factory has started conducting a training program on operating procedures of machines; however, training on usage of tools and equipment still needs improvement.
3. Machine SOPs are now displayed on machines.

Update from adidas May 5, 2010: [Partially Done]

Workers are not following SOPs, especially in the bias section, and emergency shut down procedures are not available in the machines' SOPs.

Update from adidas October 26, 2009: [Partially Done]

There are no sufficient instructions on machine handling and there are only SOPs available for a few machines. Machine safety has not been covered in HSE training. Factory management to create machine safety procedures for all machines and ensures all workers handling machines receive proper training.

Update from SanMar:

Machine operating instructions are now posted near machinery for workers. Factory provided training on the proper usage of machines, tools and equipment to workers and will provide similar and updated training to workers at least twice a year. Training logbook was provided for review and included training content, date of training, and employee signatures. The last training was conducted March 29, 2009.

Plan Yes
Complete:

Plan 03/05/2012
Complete
Date:

Health and Safety: Sanitation in Factory Facilities

H&S.22 All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical and safety and health regulations. (S)

Noncompliance

Explanation: Factory management never provides soap, towels and slippers (sandals) in the washroom for workers.

Plan Of Action: 1. Factory to provide the following: a) soap/liquid soap must be provided in all toilets and b) sufficient paper towels or hot air hand dryers.

2. Factory management should ensure that cleaning staff has a proper schedule to clean restrooms and that their supplies are properly stocked.

3. Factory to conduct training to all employees regarding usage of slippers in factory (including wash room) and to explain the risk of being barefoot. Factory can provide slippers for toilet areas or workers can use their own.

Deadline Date: 03/31/2009

Action Taken: Update from adidas June 26, 2011: [Done]

1. Factory walkthrough found soap and fabric towels available in wash rooms.

2. Cleaning schedule has been made and is being implemented. Factory walkthrough found that housekeeping supplies are being properly stocked.

3. Record review showed that training on personal hygiene has been given to workers and included the topic using slippers in the factory. Factory walkthrough confirmed that slippers are now available in washrooms for workers.

Update from adidas May 5, 2010:

The issue is still not resolved completely, workers were seen working barefoot on factory production floors; however, workers are using slippers for washrooms.



Update from adidas October 26, 2009:

This issue is still not resolved completely. Factory has provided soap and slippers for washrooms; however, footwear is not available on factory production floors. Housekeeping checklist is available with a schedule.

Update from SanMar:

Factory management has provided soap, towels and slippers in the washrooms. Local language health instructions are affixed to washroom wall explaining proper use and describing the risk of being barefoot. Factory management has provided clear instructions and training to cleaners and now maintains a daily cleaning schedule to ensure toilets are sufficiently kept clean, safe and in compliance with all applicable laws. Factory management conducted health, safety and hygiene training for all workers. Training logbook provided for review, and included training content, date of training and employee signatures. The last training was conducted February 9, 2009.

Plan Yes
Complete:

Plan 06/26/2012
Complete
Date:
