



2010

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: Hanesbrands
COUNTRY: Bangladesh
FACTORY CODE: 72000510771
MONITOR: Level Works Ltd.
AUDIT DATE: August 25, 2010
PRODUCTS: Knit Undergarments
PROCESSES: Cutting, Sewing, Pressing,
Finishing, Inspection, Packing
NUMBER OF WORKERS: 1,100

Reason for Exiting: In early 2011, the Canadian business of Hanesbrands Inc. decided to cease business with [Factory name] due to persistent poor quality and high rejection rate. The final shipment was delivered in March 2011. The factory had been deactivated; no orders were placed ever after.

Status of Compliance and Summary of Effort: In response to the FLA's IEM audit, the internal auditor of Hanesbrands Inc. conducted two follow-up audits on 9/28/2010 and 12/14/2010. We were advised by factory management that they had a plan to expand the facility so as to (a) gradually reduce the overtime, (b) have good housekeeping and better manage the safety issues, and (c) add some toilets. However, we were unable to substantiate their improvement plan at a later stage due to the termination of business.

Plan for Follow Up on Critical Issues: A conference call was set up to address the concerns over the verbal harassment issue. The regional senior CSR manager, and senior sourcing executive of Canadian business emphasized the seriousness of this issue with factory management. During the call, the factory agreed that (a) all mid-level factory management would be notified on the seriousness of the zero tolerance violations, in particular, harassment and abuse and (b) all workers would be trained how to address grievances through the grievances reporting channel. In addition, during the follow-up audits, the Hanesbrands' compliance manager, who was based in Bangladesh, organized a general training relating to harassment and abuse; grievance procedures; workers and mid-level management relationships' and communication techniques.

For an explanation on how to read this report, please visit the FLA website [here](#).



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Wages, Benefits and Overtime Compensation: Holidays, Leave, Legal Benefits and Bonuses

WBOT.5 Employers shall provide all legally mandated holidays, leave, benefits and bonuses, such as official holidays, annual leave, sick leave, severance payments and 13th month payments, to all eligible workers within legally defined time periods. In addition, all leave and bonuses shall be calculated correctly. (S)

Noncompliance

Explanation: In accordance with The Bangladesh Labor Code 2006 Section 11; Unused Annual Leave- If the services of a worker, to whom any annual leave is due, is dispensed with whether as a result of retrenchment, discharge, dismissal, termination, retirement or resignation before he has used all of his/her leave the employer shall pay his wages in lieu of the unused leave at the rate he is normally entitled to in accordance with the provisions of this Code. During the assessment it was found that the unused earned leave is not paid as a final settlement benefit.

Plan Of Action: The Hbl (Hanesbrands) compliance head held the conference call meeting with [Name of company that owns the factory] management on 8/4/2010 about the preliminary results of the FLA IEM audit. It is confirmed that Hbl will arrange the quarterly factory visit to ensure the following actions are taken:

1. Establish an unused annual leave policy and revise all the factory regulations in accordance with the local legal requirement.
2. Communicate the unused annual leave policy to all employees, i.e. post an announcement, provide training, etc.
3. Pay back the unused earned leave as per the unused annual leave policy
4. Establish an internal monitoring system to guarantee that all employees will get benefits as the laws require.
5. Set up the employee grievance channels such as a suggestion box and an employees' committee, etc. for reporting noncompliance.

Deadline Date: 03/31/2011

Action Taken:

Plan Complete: No

**Plan
Complete
Date:**

Wages, Benefits and Overtime Compensation: Timely Payment of Wages

WBOT.4 All wages, including overtime compensation shall be paid within legally defined time limits. When no time limits are defined by law, compensation shall be paid at least once a month. (S)

Noncompliance

Explanation: In accordance with the Bangladesh Labor code 2006 Section 123; Time of payment of wages- The wages of every person employed in an establishment shall be paid before the expiry of the 7 working days of the wage-period in respect to which wages are payable. It was identified that monthly wage payment dates are not maintained per the legal requirement. Factory pays wages on the 10th, and overtime (including Friday and night work) compensation on the 30th of the following month. E.g., overtime for June 2010 was not paid until the audit date of July 26th 2010.

**Plan Of
Action:** The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on 8/4/2010 about the preliminary results of the FLA IEM audit and it is confirmed that Hbl will arrange the quarterly factory visit to ensure the following actions are taken:

1. Establish a timely payment of wages policy in accordance with the local legal requirement.
2. Guarantee that the factory will pay employee wages before the expiry of the 7 working days of the wage-period.
3. Communicate the time of payment of wage policy to all employees, i.e. post an announcement, provide training, etc.
4. Establish an internal monitoring system to guarantee that all payment dates will be before the expiry of the 7 working days of the wage period.
5. Set up the employee grievance channels such as suggestion boxes and an employees' committee, etc. to report noncompliance issues.

**Deadline
Date:** 03/31/2011



Action Taken:

Plan Complete: No

Plan Complete Date:

Wages, Benefits and Overtime Compensation: False Payroll Records

WBOT.19 Employers shall not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason. Payroll records maintained shall be authentic and accurate. (P)

Noncompliance

Explanation: Factory maintains 3 sets of time and payment records: 8-hour regular and 2-hour overtime work is recorded on the time cards; overtime work beyond 7pm is recorded on a separate register; Friday and night overtime work is recorded on a third register.

Plan Of Action: The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on 8/4/2010 about the preliminary results of the FLA IEM audit and it is confirmed that Hbl will arrange the quarterly factory visit to ensure the following actions are taken:

1. Management should immediately stop to using any hidden or multiple sets of payroll and time records.
2. Present all actual payroll and time records in 1 set of records
3. Guarantee that all employees' wages and benefits are paid based on the local legal requirement
4. Guarantee that all workers are voluntarily working overtime
5. Communicate this change to all employees, i.e. post an announcement

Deadline Date: 03/31/2011

Action Taken:

Plan Complete: No

Plan Complete Date:

Forced Labor: Other - Forced Labor

Other

Noncompliance

Explanation: In accordance with the Bangladesh Labor code 2006 Section 5, Appointment Letter and Identity Card- No employer shall appoint a worker without issuing a letter of appointment and every worker appointed shall be given an identity card with a photograph of the worker. It was found out that a copy of the appointment letter was not given to most of the workers.

Plan Of Action: The Hbl compliance head held the conference call meetings with [Name of company that owns the factory] management on 8/4/2010 about the preliminary results of the FLA IEM audit and it is confirmed that Hbl will arrange the quarterly factory visit to ensure the following actions are taken:

1. Review and rectify the current appointment policy in accordance with the local legal requirement.
2. Provide a copy of the appointment letter to all the employees.
3. Communicate the appointment policy to all the employees, i.e. post an announcement, orientation training, etc.
4. Establish an internal monitoring system
5. Set up the employee grievance channels such as a suggestion box and employees' committee, etc. to report noncompliance issues

Deadline Date: 03/31/2011

Action Taken:

Plan Complete: No

Plan Complete Date:

Freedom of Association: Grievance Procedure

FOA.26 Employer shall have in place written grievance procedures that allow first an attempt to settle grievances directly between the worker and the immediate supervisor but that, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Employers shall ensure that the grievance procedures and applicable rules are known to workers. (P)

Noncompliance

Explanation: During the current assessment, it was found out that there was no grievance procedure and system established and maintained, and thus workers were not aware of the policy and procedure (except reporting to the line management). Workers are ignorant about the presence of the suggestion box and workers' representatives.

Plan Of Action: The Hbl compliance head will hold the conference call meeting with [Name of company that owns the factory] management on 8/4/2010 concerning the preliminary results of the FLA IEM audit and it is confirmed that Hbl will arrange the quarterly factory visit to ensure the following actions are taken:

1. Immediately review the effectiveness of the current grievance procedure and grievance channels such as suggestion boxes and employee committees
2. Communicate and promote the grievance procedure and grievance channels to all employees, i.e. post an announcement, create an orientation and provide regular training, etc.
3. Assign management personnel to review the effectiveness of the grievance channels on a regular basis.

Deadline Date: 12/31/2010

**Action
Taken:**

Plan No
Complete:

**Plan
Complete
Date:**

Harassment or Abuse: Discipline/Physical Abuse

H&A.10 Employers shall not use any form of – or threat of – physical violence, including slaps, pushes or any other forms of physical contact as a means to maintain labor discipline. (S)

Noncompliance

Explanation: Physical abuse such as slapping the workers for making mistakes, working slowly or not achieving the production target was found. The line supervisors mostly perpetrate this abuse.

**Plan Of
Action:** The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on 8/4/2010 concerning the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Factory is asked to stop all harassment and abuse practices immediately
2. Establish an anti-harassment and abuse policy
3. Communicate the anti-harassment and abuse policies to all employees, i.e. post an announcement, provide training, etc.
4. Provide an anti-harassment and abuse practices training to all supervisors and management.
5. Promote the grievance procedure and grievance channels for reporting harassment issues to all employees
6. Take immediate action to discipline employees (including dismissal) if there are any violations of the physical harassment policy
7. Establish an internal monitoring system for the work floor harassment and abuse



8. Establish a management review system to review feedback from all the grievance channels

Deadline Date: 12/31/2010

Action Taken: The Hbl compliance manager visited the factory on August 11, 2010 and obtained the below evidence:

1. The service of Mr. [Name of employee] was terminated on August 4, 2010 due to the charge of verbal and physical abuse. He had been working in this company since April 1, 2010.

2. 5 other supervisors received a written warning and those are: a) Mr. [Name of employee], Sewing Supervisor, who joined the factory June 1, 2006, b) Mr. [Name of employee], Cutting In-charge, who joined the factory on May 10, 2006, c) Mr. [Name of employee], Sewing Supervisor, who joined the factory on June 1, 2006, d) Mr. [Name of employee], Sewing Supervisor, who joined the factory on July 21, 2001, and e) Mr. [Name of employee], Ironman, who joined April 7, 2009.

3. The managing director organized a meeting among all the supervisors, in-charges, and the production manager as well as with the workers and explained his zero tolerance policy on the issue of physical and verbal abuse and advised all the workers to inform the managing director directly.

The Hbl compliance manager visited the factory on September 28, 2010 and conducted the mid-level management training on harassment and abuse with the training material provided by H&M.

Plan Complete: No

Plan Complete Date:

Harassment or Abuse: Discipline/Verbal Abuse

H&A.11 Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline. (S)

Noncompliance

Explanation: Verbal abuse and shouting is common on the production floor for making mistakes at work and not fulfilling the target.

Plan Of Action: The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 about the preliminary results of the FLA IEM audit and it is confirmed that Hbl auditor will arrange a quarterly factory visit to ensure the following actions are taken:

1. Factory is asked to stop all harassment and abuse practices immediately
2. Establish an anti-harassment and abuse policy
3. Communicate the anti-harassment and abuse policies to all employees, i.e., post an announcement, provide training, etc.
4. Promote the grievance procedure and grievance channels to all employees
5. Provide the anti-harassment and abuse practice training to all supervisors and management.
6. Supervisors are accountable for discipline when a supervisor is accused of verbal abuse on the work floor.
7. Establish an internal monitoring system for work floor harassment and abuse
8. Establish a management review system to review feedback from all the grievance channels

Deadline Date: 12/31/2010

Action Taken: The Hbl compliance manager visited the factory on August 11, 2010 and obtained the below evidence:

1. The service of Mr. [Name of employee] was terminated on August 4, 2010 due to the charge of verbal and physical abuse. He had been working in this company since April 1, 2010.



2. 5 other supervisors received a written warning and those are a) Mr. [Name of employee], Sewing Supervisor, who joined the factory June 1, 2006, b) Mr. [Name of employee], Cutting In-charge, who joined the factory on May 10, 2006, c) Mr. [Name of employee], Sewing Supervisor, who joined the factory on June 1, 2006, d) Mr. [Name of employee], Sewing Supervisor, who joined the factory on July 21, 2001, and e) Mr. [Name of employee], Ironman, who joined April 7, 2009.

3. The managing director organized a meeting among all the supervisors, in-charges, and the production manager as well as with the workers and explained his zero tolerance policy on the issue of physical and verbal abuse and advised all the workers to inform the managing director directly. The Hbl compliance manager visited the factory on September 28, 2010 and conducted the mid-level management training on harassment and abuse with the training material provided by H&M.

Plan Complete: No

Plan Complete Date:

Child Labor: Child Care Facilities

CL.11 Childcare facilities shall not physically overlap with production areas, and children shall not have access to production areas. (P)

Noncompliance

Explanation: The childcare facility is on the first floor, near the finishing area. The childcare facility arrangement was improper and no responsible person/caretaker was assigned to the childcare facility.

Plan Of Action: The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 about the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Review the deficiency of the current child care center set-up
2. Identify the improvement areas, i.e. hiring a full time nurse, daily cleaning and safety needs and the needed child care facilities and equipment
3. Personnel is assigned to implement the improvements

4. Personnel is assigned to inspect the condition of child care center on a regular basis

5. Inspection records should be maintained

Deadline Date: 12/31/2011

Action Taken:

Plan Complete: No

Plan Complete Date:

Code Awareness:

GEN.2 Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.

Noncompliance

Explanation: Employees were not given sufficient training on code awareness. There were no regular efforts to educate employees on the code elements and standards.

Plan Of Action: The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 about the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Educate employees on the HBI Global standards for suppliers by posting an announcement, providing an annual training, etc.
2. Include the training in the employee orientation
3. Document all those trainings for review

Deadline Date: 03/31/2011

**Action
Taken:**

Plan No
Complete:

**Plan
Complete
Date:**

Code Awareness:

GEN.3 Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.

Noncompliance

Explanation: No secure communication channel was established between the FLA affiliated company and the workers.

**Plan Of
Action:** The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 about the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Post the Hbl Bangladesh compliance manager's contact number in the factory in order to establish a secure communication channel between the FLA affiliated company and the workers
2. Communicate to workers about this communication channel
3. Conduct additional on-site and off-site interviews to ensure the employees have opportunities to communicate with Hbl personnel
4. Document all workers' incoming calls and actions

Deadline 12/31/2012
Date:



Action Taken: The Hbl compliance manager visited the factory on August 11, 2010 and posted the Hbl communication channel for employees. Also, he invited some workers for interviews and explained this channel to them. Evidence has been sent to FLA for review.

Plan Complete: No

Plan Complete Date:

Health and Safety: Permits and Certificates

H&S.8 The employer shall at all times be in possession of all legally required and valid permits and certificates related to health and safety issues, such as those related to the purchase and storage of chemicals, fire safety inspections, inspection of machinery, and (chemical) waste disposal. (P)

Noncompliance

Explanation: Factory does not have an environment certificate for the printing section.

Plan Of Action: The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 about the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Instruct the factory to apply for the environment certificate for the printing section
2. Document the certificate and keep it in the file
3. Assign personnel to monitor its expiry date and follow up on renewing it in a timely manner

Deadline Date: 03/31/2011

Action Taken:

Plan Complete: No

Plan
Complete
Date:

Health and Safety: Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

Noncompliance

- Explanation:**
1. In accordance with the Bangladesh Labor Code 2006 Chapter 6 Section 62 - (4) In every establishment, every window, door, or other exit that may provide a means of escape in case of fire, other than the means of exit during ordinary use, shall be distinctively marked in red in Bengali language or by some other effective and clear sign. During the current assessment, it was found out that the aisles were not marked in the storage and cutting sections (ground floor).
 2. In accordance with the Bangladesh Labor Code 2006 Chapter 6 Section 62 - (3) in every establishment the doors affording exit from any room shall not be locked or fastened so that they can be easily and immediately opened from the inside while any person is within the room. All such doors, unless they are of the sliding type, shall be constructed to open outwards. When the door is between 2 rooms, it should open in the direction of the nearest exit from the building and a door like this shall not be locked or obstructed while work is being carried on in the room. During the current assessment, it was found out that the aisles were partly blocked with production goods and cartons in the cutting and finishing sections.
 3. In accordance with the Bangladesh Labor Code 2006 Chapter 6 Section 62 - (5), in every establishment there shall be an effective and clearly audible means of giving warnings in case of fire to every person employed therein. During the current assessment, it was found that the smoke detectors were not functional in the storage area (none of the 4 were working).
 4. In accordance with the Bangladesh Labor code 2006 Section 62; Precautions in case of fire- (1) every establishment shall have an alternative stair connected to every floor as a means of escape in case of fire and be equipped with fire fighting equipment. During the current assessment, it was found that the cutting section and canteen were missing secondary exits.

5. In accordance with the Bangladesh Labor code 2006 Section 62; Precautions in case of fire- (1) every establishment shall have an alternative stair connected to every floor as a means of escape in case of fire and be equipped with fire fighting equipment. During the current assessment, it was found that the fire extinguishers (at least 5) were empty.

Plan Of Action: The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 about the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Immediately rechecking all the fire extinguishers to ensure that they are working.
2. Assign an internal auditor to set up the internal monitoring system and conduct a monthly inspection for all the fire extinguishers
3. Document the inspection records for review

Deadline Date: 03/31/2011

Action Taken:

Plan Complete: No

Plan Complete Date:

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: Cutter men were not using metal hand gloves while working; printing section workers were not wearing gloves either. Overlock machines (at least 6 identified) were found without needle guards.

**Plan Of
Action:**

The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 about the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Review and update the current H&S (health and safety) policy
2. Communicate the H&S policy to all employees, i.e. post announcements, provide training, etc.
3. Safety topics are included in the orientation training for all the newly joined employees
4. Re-training is arranged for all the employees at least once every 6 months
5. Assign an internal auditor to set up an internal monitoring system
6. Supervisors are accountable for the workers unsafe actions

**Deadline
Date:** 03/31/2011

**Action
Taken:**

**Plan
Complete:** No

**Plan
Complete
Date:**

Health and Safety: Bodily Strain

H&S.20 Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains. Employers shall train workers in proper lifting techniques and items such as belts shall be provided. (S)

Noncompliance

Explanation: No backrest was provided for the workers' seats, which could be an ergonomic concern.

Plan Of Action: The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 about the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Explain to the factory management the necessity of backrests for chairs on the work floor
2. Factory will figure out the design of the chairs, the cost and also the timeline to put the chairs with back rests on the floor.
3. Remove the old chairs and use the new chairs in the next 2 years

Deadline Date: 12/31/2012

Action Taken:

Plan Complete: No

Plan Complete Date:

Health and Safety: Medical Facilities

H&S.21 Medical facilities shall be established and maintained in factories as required by applicable laws. Medical staff shall be fully licensed and recognized under applicable local rules and regulations. An appropriate number of medical staff shall be on duty during all working hours, including any type of overtime, as required under local law. An appropriate stock of medical supplies shall be maintained at all times. Medicines of which the expiration date has passed must be replaced immediately and disposed of in a safe manner. (P)

Noncompliance

Explanation: In accordance with the Bangladesh Labor Code 2006 Chapter 8 Section 89; First-aid appliances (5) In every establishment wherein 300 or more workers are employed, there shall be an ambulance room or dispensary of the prescribed size containing the prescribed equipment or similar facilities, and nursing and medical staff may be in charge of such facilities. Factory does not have a full-time medical practitioner/doctor. There is a part-time doctor who visits 3 days a week along with a full-time paramedic.

Plan Of Action: The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 about the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Change the medical policy from hiring a part-time doctor to hiring a full-time doctor
2. Recruit the full-time doctor. He / she should be on duty during regular office hours at least.
3. An alternative emergency management system was set up in case the full time doctor could not be available immediately. For example, the factory got the nearby hospital contact number and delegated doctors at the external clinic.

Deadline Date: 03/31/2011

Action Taken:

Plan Complete: No

**Plan
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: In accordance with the Bangladesh Labor Code 2006 Chapter 8 Section 93; Shelters, etc.- (1) In every establishment wherein more than fifty workers are ordinarily employed, adequate and suitable shelters or rest rooms, and a suitable lunch room with provision for drinking water where workers can eat meals brought by them, shall be provided and maintained for the use of the workers It was found that the canteen space was not sufficient and workers were found eating lunch while standing.

**Source of
Finding:**

**Plan Of
Action:** The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 on the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Factory should commit to enlarging the canteen space and providing enough seating areas for workers
2. Assign engineer to review how to enlarge the current canteen space
3. Set the timeline to fulfill the requirement in 1 year

**Deadline
Date:** 12/31/2011

**Action
Taken:**

**Plan
Complete:** No

**Plan
Complete
Date:**

Health and Safety: Toilets

H&S.23 Employers shall establish the number of toilets required under applicable laws within reasonable distance of the workplace. (S)

Noncompliance

Explanation: In accordance with the Factory Rules 1979 section 27; Latrine accommodation. (1) Latrine accommodation shall be provided in every factory on the following scale: (a) where females are employed, there shall be at least 1 latrine for every 25 females; Insufficient female toilet facilities were provided; the factory has 15 toilets for 800 female workers. They are required to provide 32 toilets for the female workers.

**Plan Of
Action:** The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 on the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Factory starts to work out the sufficient number of toilet for workers as per legal requirements
2. Assign an engineer to review how to rearrange and construct the additional toilets in the current limited space- there might be a drainage capacity concern.
3. Set the timeline to fulfill the requirement in the long run

**Deadline
Date:** 12/31/2011

**Action
Taken:**

**Plan
Complete:** No

**Plan
Complete
Date:**

Hours of Work: General Compliance Hours of Work

HOW.1 Employers shall comply with all local laws, regulations and procedures concerning hours of work, public holidays and leave. (S)

Noncompliance

Explanation: In accordance with the Bangladesh Labor code 2006 Section 102; Weekly hours: (1) No adult worker shall be required or allowed to work in an establishment for more than 48 hours in any week. (2) Subject to the provisions of section 108, an adult worker may work for more than 48 hours in a week, provided that the total hours of work of an adult worker shall not exceed 60 hours in any week and on the average 56 hours per week in any year. It was identified that the weekly working hour limits exceed 60 hours. The finishing section and 30% of the sewing workers worked an average 72 hours up to a maximum of 83 hours/week in the months of October 2009, April 2010 and July 2010.

Plan Of Action: The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 on the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Establish an overtime (OT) policy with a maximum of 12 OT hours per week
2. Communicate the OT policy to all employees and ensure the OT is voluntary
3. Factory will review production plans or take other measures in order to reduce overtime hours to within the legal limits in the next 6 months
4. Factory should consider its long term capacity plans and evaluate shift adjustments and headcounts
5. For continual monitoring of the progress of improvement, the factory should send monthly OT tracking reports to the HBI Social compliance team for review.

Deadline Date: 12/31/2011

Action Taken: The Hbl compliance manager visited the factory on September 28, 2010 and reviewed the payroll and time cards for July and August, 2010, and the monthly overtime work hours were noted as follows for July and August:

1. Cutting department: 26 and 47 hours, respectively
2. Sewing department: 23.5 and 45.5 hours
3. Ironing department: 26 and 52 hours

4. Packing department: 25 and 60 hours
5. Quality Control department: 26 and 57.5 hours
6. Print department: 26 and 35 hours

Plan No
Complete:

Plan
Complete
Date:

Hours of Work: Rest Day

HOW.2 Workers shall be entitled to at least one day off in every seven-day period. If workers must work on a rest day, an alternative day off must be provided within that same seven-day period or immediately following the seven-day period. (P)

Noncompliance

Explanation: In accordance with The Bangladesh Labor Code, 2006, Section-103, no adult worker shall be required or allowed to work in a factory on a Friday/off day, unless he has had or will have a holiday to make up for working on a Friday as soon as possible. It was found out that the weekly 1-day off policy is not adhered to. The finishing, cutting and 30% of the sewing workers worked 1 to 2 off days (Friday) in October 2009, April 2010 and June 2010, which were paid as overtime.

Plan Of Action: The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 on the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Establish a rest day work policy as per the Bangladesh Labor Code, 2006, Section-103
2. Communicate the rest day work policy to all employees and make sure the rest day is totally voluntary
3. Factory will review production plans or take other measures in order to reduce rest day work.
4. Factory should consider its long-term capacity plans and evaluate shift adjustments and headcounts.

5. In order to continually monitor the progress of improvement, the factory should send monthly OT tracking reports to the HBI social compliance team for review.

Deadline Date: 12/31/2011

Action Taken:

Plan Complete: No

Plan Complete Date:

Hours of Work: Meal and Rest Breaks

HOW.3 Employers shall provide reasonable meal and rest breaks, which, at a minimum, must comply with local laws. (S)

Noncompliance

Explanation: In accordance with the Bangladesh Labor Code 2006 Section 101; Intervals for rest or meals- No adult worker in an establishment shall be liable to work either (a) for more than 6 hours in a day unless he has been allowed an interval of at least 1 hour during that day for rest or meals; (b) for more than 5 hours in any 1 day unless he has been allowed an interval of at least half an hour during that day for rest or meals; or (c) for more than 8 hours unless he has had an interval under clause (a) or 2 such intervals under clause (b) during that day for rest or meals. During the current assessment, it was found out that normally, a 1-hour lunch break is granted for 8 hours of work. But, the factory sometimes gives 30-minute lunch break and shuts off 30 minutes early. Specifically, when the factory operates till 9 pm, overtime is counted as 4 ½ hours.

Plan Of Action: The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 on the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Refine the rest/meal break policy, which should be in accordance with the Bangladesh Labor Code 2006 Section 101

2. Communicate with management and get their support for the new rest time arrangement and evaluate the impact on the production
3. Consult with employees to get their opinions on the proposed rest time arrangement
4. Implement the new rest time arrangement
5. Review the feedback from employees and management on a regular basis

Deadline Date: 03/31/2011

Action Taken:

Plan Complete: No

Plan Complete Date:

Hours of Work: Sick Leave

HOW.19 Employers shall provide workers with sick leave as required under local laws, regulations and procedures. (S)

Noncompliance

Explanation: In accordance with the Bangladesh Labor Code 2006 Section 116; Sick leave. (1) Every worker except newspaper employees shall be entitled to sick leave with full wages for a total period of 14 days in a year. It was identified that sick leave was not given to some of the workers. Workers who get sick are sent to the hospital, but they are considered absent while his/her sick leave balance remains full. Leave is granted only after 1 year of employment. No leave documents were available for the newly hired workers.

Plan Of Action: The Hbl compliance head held the conference call meeting with [Name of company that owns the factory] management on August 4, 2010 on the preliminary results of the FLA IEM audit and it is confirmed that the Hbl auditor will arrange the quarterly factory visit to ensure the following actions are taken:

1. Review and revise the current sick leave policy, which allows for 14 sick days a year, which should be applied to newly hired workers.



2. Communicate the sick leave policy to all workers, particularly during the orientation trainings

3. Document leave documents for all employees

Deadline Date: 03/31/2011

Action Taken:

Plan Complete: No

Plan Complete Date:
