



2010

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL VERIFICATION REPORT*

COMPANY: Hanesbrands Inc.
COUNTRY: Bangladesh
FACTORY CODE: 720005874GV
MONITOR: Phulki
AUDIT DATE: November 16, 2010
PRODUCTS: Knitwears, Undergarments
PROCESSES: Cutting, Sewing, Packing
NUMBER OF WORKERS: 747

*To read the original IEM report of this factory, please visit the FLA website [here](#).
For an explanation on how to read this report, please visit the FLA website [here](#).



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Forced Labor: Other - Forced Labor

Other

Noncompliance

Explanation: Some newly recruited workers from October 2008 did not receive their copy of contract papers; workers who joined earlier did received their contract papers. Management noted that because the number of new recruits in October was approximately 150 (it was also after the Eid holiday and factory increased sewing lines), the HR department could not distribute all the contract papers to workers due to the workload.

Plan Of Action: Hanesbrands (Hbl) will ensure that the factory gives labor contracts to workers within 7 days of their joining period. Hanesbrands will have regular review to factory's HR process to ensure the compliance. Hbl's follow-up visit will be performed once every 2 months. Next scheduled visit is in mid-March.

Deadline Date: 03/31/2009

Supplier CAP: Immediate Action: All existing new workers will be provided with employment contracts.

Long-Term Plan:

1. No workers will be allowed on the floor without issuing or having employment contracts.
2. All personnel files for new workers will be updated on the first day of joining.
3. A checklist of mandatory recruitment documents will be maintained to confirm that there are no mandatory recruitment documents missing.

Supplier CAP Date: 02/28/2009



Action Taken: Hbl local auditor follow-up visit, December 23, 2008: All new workers were issued a copy of the employment contract.

Hbl local auditor follow-up visit, January 18, 2009: 38 workers recruited in December 2008 and 22 workers recruited in January 2009. All were provided with employment contract in local language. Confirmed through checking workers' personnel files and interviewing individual workers. Documents in personnel files found controlled with checklist of mandatory documents printed in personnel files. However, age certificates for new workers that joined in December 2008 and January 2009 are not stamped with doctor registration number; a few of those who joined in January 2009 were not completed. A new doctor is recruited and will complete all age certificates by January 30, 2009.

Plan Complete: Yes

Plan Complete Date: 01/30/2009

Action Verified: No

Action Verified Text: Completed: All newly recruited workers have received their employment contract paper/appointment letter in local language. On sample basis, interviewed some newly recruited workers, especially those recruited in March 2010. They said they have received employment contract paper/appointment letter in local language, ID card, and orientation on factory rules and regulation. We have also reviewed some new workers' personnel files. Reviewed personnel files contained all mandatory documents, including copy of respective worker's employment contract paper/appointment letter in local language with their acknowledgement.

Action Verified Date: 03/28/2010

Follow-up Plan of Action:

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:**
1. No reporting mechanism through which workers can communicate directly with Hbl, i.e., contact number or email address of local company representative posted on the code of conduct (COC) and communicated to workers. COC posted only in part of the factory. Workers are not aware of the presence of the company representative in the factory.
 2. No mid-level management, supervisor or workers training conducted by company. Company only arranges vendors' or suppliers' gathering/meeting at the top management level.
 3. Hbl's COC, along with some other brands, posted only in 1 place (in stairwell to sewing floor), which is insufficient for the full premises. More COCs can be posted in prominent places inside factory and in canteen area.

Plan Of Action: Hbl will work to ensure that there are effective means of communication between factory workers and their management. Hbl plans to hold live mid-level management training in 2009 to explain the COC to factory's supervisors and line leaders. Next scheduled visit in mid-March.

Deadline Date: 09/30/2010

Supplier CAP: Immediate Action: All workers and mid-level management staff will be communicated to about the requirement of COC (GSS) from Hbl.

Long-Term Plan:

1. A continuous program on COC (GSS) awareness will be included with workers' induction training program to ensure that all new workers are aware of GSS requirements from their first day.
2. Mid-level management training will be introduced.

3. Documentary evidence will be preserved for all sorts of training.

Supplier 03/31/2009
CAP Date:

Action Taken: Hbl local auditor follow-up visit, December 23, 2008: A new program has started for new workers, they have to join an orientation class to familiarize themselves with the COC. The existing social welfare team is working regularly to increase the awareness of Hbl's COC. Hbl local auditor follow-up visit, January 18, 2009: Last awareness training conducted December 21, 2008; total of 337 out of 900 workers covered under orientation program since July 2008. However, workers that joined in January 2009 have not received any orientation training. Mid-level management training conducted December 27, 2008 in regards to buyers' COC, labor law, leave, wages, benefits, etc. It is also recommended to include topics on non-discrimination. Factory will send reports to Hbl on topics and number of participants on the 7th day of the following month.

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified: Ongoing:

Text: 1. We have visited the whole facility. There was no noncompliance reporting mechanism like contact telephone number or email address of the company's representative through which workers can communicate directly with Hbl or their representative. Workers are not aware of the company representative's presence in the factory.

2. Factory management provided us an email from Hbl's Risk Management and Compliance Manager, regarding conducting 2-session mid-level management training program July 11, 2009 (morning session: 10:00am - 12:30pm; afternoon session: 2:30pm - 5:00pm). But, management could not provide us any objective evidence that they conducted the training program, i.e., participants' list and photograph of the training, etc

3. There are 3 Hbl COCs posted in the factory: 1 posted on ground floor, the other 2 on both sides of the first floor stairs. There is no email address or phone number through which workers can directly communicate directly with Hbl.

**Action
Verified
Date:**

Follow-up Hbl response, July 26, 2010:

**Plan of
Action:**

1. Hbl considered posting Bangladesh Compliance Manager [Employee name's] cell phone number on work floor; sticker of communication channel is in the process of being prepared. It is expected to be ready late August.

2. Hbl's Bangladesh Compliance Manager and Senior Manager of CSR visited factory August 3, 2009. We had given mid-level management training to supervisors and confirmed with 34 participants on particular training about COC and communication skills. Attendance record sent to FLA for reference. Hbl is planning another training for supervisors this year regarding how to be respectful team leaders. Training materials are in the translation process.

3. More posters will be given to factory to post in all areas of facility.



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: In number of places, fire extinguishers, fire alarm, and fire hose pipe blocked with finished goods and packed cartons. Aisles were blocked with fabric in a number of places in cutting and ironing sections.

Plan Of Action: Hbl will visit this factory once every 2 months to ensure compliance on the work floor's fire safety. Also, Hbl will review factory's internal compliance team's work on health and safety program and give sufficient guidance. Next scheduled visit in mid-March.

Deadline Date: 03/31/2009

Supplier CAP: Immediate Action: All production staff will be instructed not to keep any fabric, carton or any other article near fire extinguishers, fire alarms, aisles or any other safety equipment.

Long-Term Plan:

1. Fabric and cartons will be kept only in designated places.
2. Internal compliance team will pay frequent visits to floor to ensure all safety equipment is free from obstruction.

Supplier CAP Date: 02/28/2009

Action Taken: Hbl local auditor, follow-up visit December 23, 2008: All articles removed from fire extinguishers, fire alarm, and aisles.

Hbl local auditor, follow-up visit, January 18, 2009: All fire prevention equipment found free of obstruction.



Plan Complete: Yes

Plan Complete Date: 01/18/2009

Action Verified: No

Action Verified Text: Completed: Fire extinguishers, fire alarm, fire hose pipe, and most aisles are not blocked. All fire extinguishers, fire alarms, and fire hose pipes found free of obstruction. Only a few aisles are found partially blocked with fabric in a number of places in cutting section; compared with total floor area, it is a very small portion.

Action Verified Date: 03/28/2010

Follow-up Plan of Action:

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: Sand blasting and hand-sanding area workers were not using earplugs, even though they were exposed to high noise. In some cases, workers were given earplugs, but they were not using them during work, as they were uncomfortable.

Plan Of Action: Hbl will visit this factory every 2 months to ensure compliance on the work floor's occupational health. Also, Hbl will review the factory's internal compliance team's on personal protective equipment (PPE) program and give sufficient guidance. Next scheduled visit in mid-March.

Deadline Date: 09/30/2010

Supplier CAP: Immediate Action: All workers will be provided with earplugs that are comfortable to use.

Long-Term Plan:

1. All workers will be trained on the risks of not using earplugs and other PPE.
2. Health and Safety Committee will monitor the use of PPE.
3. Post the "wear earplugs" reminder sign in the working area to remind workers to wear PPE.

Supplier CAP Date: 02/28/2009

Action Taken: Hbl local auditor, follow-up visit, December 23, 2008: All workers are provided earplugs and trained on how to use them.

Hbl local auditor, follow-up visit, January 18, 2009: Eyeglasses will be procured by January 30, 2009; all workers will be advised to use necessary PPE during working hours.

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: Ongoing: Although sand blasting/hand-sanding facility is under another factory of the same group, it is situated on the ground floor of the audited facility's building. Workers there were exposed to high noise and heavy dust from blasting in the area. Prolonged inhalation of dust containing silica, marked by development of fibrous tissue in the lungs, causes serious lung diseases (like silicosis/cancer). As entrance of sandblasting/hand-sanding area and ground floor of audited facility are nearby, there is a high possibility for all workers to enter the dangerous area. It seems that workers have no practice and are feeling uncomfortable using earplugs, masks, hand gloves, etc.

Action Verified Date:

Follow-up Plan of Action: Hbl response, July 26, 2010: The following steps are required to minimize the risks of exposure to silica sand due to sandblasting operations:

1. A training and education program must be in place to enhance workers' awareness of a) the potential adverse health effects caused by crystalline silica exposure and b) properly using PPE.
2. Post the "warning sign" to warn workers about the hazards and specify the PPE required.
3. Provide the appropriate PPE to the workers exposed to silica sand (e.g., N95 dust mask/respirator).
4. Factory should install fans or ventilation system to direct air flow continuously away from the workers.

Health and Safety: Chemical Management and Training

H&S.13 All chemicals and hazardous substances shall be properly labeled and stored in accordance with applicable laws. Labels shall be placed in the local language and the language(s) spoken by workers, if different from the local language. Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances. (S)

Noncompliance

Explanation: Chemical containers are not labeled in the PP spray section, spot removing section, etc.

Plan Of Action: Hbl will work with factory to ensure chemical items are properly labeled in local language. Also, Hbl's auditor will visit this factory once every 2 months to ensure compliance. Next scheduled visit in mid-March.

Deadline Date: 09/30/2010

Supplier CAP: Immediate Action: All chemical containers will be labeled in local language.
Next Plan: During new procurement, all containers will be labeled in local language.

Supplier CAP Date: 02/28/2009

Action Taken: Hbl local auditor, follow-up visit, December 23, 2008: We have already labeled chemical containers in PP spray and spot removing sections.

Hbl local auditor, follow-up visit, January 18, 2009: All chemical containers found attached with label in the local language.

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: Ongoing: New chemical containers (received recently) are not labeled, but old containers found attached with label in the local language.

Action Verified Date:

Follow-up Plan of Action: Hbl response, July 26, 2010: Hbl's Bangladesh Compliance Manager will conduct follow-up visit to factory in late August to ensure all chemical containers are labeled. Also reviewed will be the responsible person for monitoring this compliance in the factory, to make sure the sustainability of this requirement.

Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

Noncompliance

Explanation: New Finding: In ironing section, cut-out on electrical switch board is open and electrical cable is hanging.

Plan Of Action: Hbl response, July 26, 2010: Hbl's Bangladesh Compliance Manager will conduct the visit to this facility in late August to ensure the electrical switch board is closed properly and hung safely. Photo will be uploaded then.

Deadline Date: 09/30/2010

Action Taken:

Plan Complete: No

**Plan
Complete
Date:**

Action Verified: No

**Action
Verified
Text:**

**Action
Verified
Date:**

**Follow-up
Plan of
Action:**

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 environment was not clean: production floor was dusty and covered with cut pieces all around cutting section, washing section, etc.

Plan Of Action: Hbl will work with factory to ensure work floor is always kept clean. Hbl auditor will monitor ongoing compliance. Next scheduled visit in mid-March.

Deadline Date: 09/30/2010



Supplier CAP: Immediate Action: All dust and cut pieces will be removed.
Long-Term Plan:
1. All overlock machines will be attached with wastebaskets to control cut pieces from falling on the floor.
2. All cleaners will be trained on the frequent cleaning of dust and the cleaning of cut pieces from the floor daily.

Supplier CAP Date: 02/28/2009

Action Taken: Hbl local auditor, follow-up visit, December 23, 2008: All cut pieces and dust are removed from the floor.
Hbl local auditor, follow-up visit, January 18, 2009: Fabric and fabric cut pieces observed on floor and exit routes of sewing and cutting areas. Management will be providing necessary baskets to the thread cutters by January 30, 2009.

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: Ongoing: Factory environment is almost clean. During floor visit, some cut pieces observed on floor of cutting section. Toilets are clean, but there are some bad odors. In some toilets, there is no soap, sandals, or towels.

Action Verified Date:

Follow-up Plan of Action: Hbl response, July 26, 2010: Hbl's Bangladesh Compliance Manager will assist factory compliance manager in setting up factory cleaning program to ensure production floor has minimal dust and that toilets are cleaned often. Also encouraging factory to provide soap, sandals, and towels. The visit will be scheduled in late August.

Health and Safety: Other - Health and Safety

Other

Noncompliance

Explanation: New Finding: The construction area just in front of the factory presents dangers for workers and visitors. There is no fencing in the construction area. People passing by may fall into 2-meter deep hole when they are coming in, going out or carrying goods.

Plan Of Action: Hbl response, July 26, 2010: An alert was been sent to [Factory name] in early April about the unsafe act by [Employee name] after meeting with [Employee name] in HKG. Hbl's Bangladesh Compliance Manager will visit factory in late August to ensure the construction site is properly fenced and that the "danger" sign is put up to remind pedestrians. Photo will be uploaded after the visit.

Deadline Date: 09/30/2010

Action Taken:

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text:

Action Verified Date:

Follow-up Plan of Action:

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: Finishing workers and loaders and a few (20 persons) sewing line workers and helpers are working more than 60 hours per week. I.e., working 68-86 hours in January 2008, 60-83 hours per week (including 1 weekly day off work) in June 2008, 60-68 hours per week in October 2008, and 66-86 hours per week in November 2008. These workers usually work up until 10pm, i.e., 5 hours overtime per day. The loaders have worked until to 2am or 3am at night if required. Factory was also paying excessive overtime (beyond legal limit) at same rate, i.e., double the hourly rate of basic wage, for all working hours.

Plan Of Action: Hbl will monitor the OT hours in this factory to ensure a) it is 100% voluntary, b) payment is sufficient and on time, and c) hours are decreased to optimal level. Hbl auditor will visit this factory once every 2 months to ensure compliance. Next scheduled visit in mid-March.

Deadline Date: 06/30/2009

Supplier CAP: OT is voluntary and accepted by workers as it could increase their monthly income and support their family. Factory paid sufficient premium for all OT hours.

Long-Term Plan: A proper production plan will be introduced to reduce overtime work hours and to keep hours under legal limit. It would be started to work in the coming 6 months.

Supplier CAP Date: 06/30/2009

Action Taken: Hbl local auditor, follow-up visit, December 23, 2008: They have started a 6-month program to plan our production so that no one needs to work excessive OT. They will accept the orders according to the production capacity.

Hbl local auditor, follow-up visit, January 18, 2009. Due to meeting the shipment date, they had excessive overtime work. Workers were interviewed and they all were found to be happy with the amount of OT work hours. We will continue to work with the factory to reduce OT appropriately as part of the 6-month plan.



Plan Complete: Yes

Plan Complete Date: 01/18/2009

Action Verified: No

Action Verified Text: Completed: At present, more than 2 hours (daily) OT is not implemented in the factory. We have reviewed workers' monthly payroll sheets, time records, production capacity, production records, medicine issuing registers, store, and other relevant records. We also interviewed workers on this. Workers informed that, at present, excessive OT is not done in the factory. Generally, factory starts at 8am and closes at 7:00pm, with 1 hour lunch break. OT is counted after 5pm and they do OT until 7:00pm.

Action Verified Date: 03/28/2010

Follow-up Plan of Action:

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: Finishing section workers and loaders worked 2-3 Fridays in January, October, and November 2008. This resulted in continuous work of up to 20 days without a day off.

Plan Of Action: Hbl will work with factory on how to decrease overall OT hours, including Friday work. They should provide compensatory leave if rest day work could not be avoided. Next scheduled visit in mid-March.

Deadline Date: 03/31/2009

Supplier CAP: Immediate Plan: Workers who worked on weekend days will be provided with compensatory leave.

Long-Term Plan: A proper production plan or work force will be re-scheduled to ensure 1 day off per week for each worker.

Supplier CAP Date: 02/28/2009

Action Taken: Hbl local auditor, follow-up visit, December 23, 2008: Factory still had 2 Friday workdays in December without any compensatory leave.

Hbl local auditor, follow-up visit, January 18, 2009: No weekend work was done in January 2009. This issue will continue to be heavily emphasized by our audit teams.

Plan Complete: Yes

Plan Complete Date: 01/18/2009



Action Verified: No

Action Verified Text: Completed: The weekly day off in the area is Friday. Workers enjoy a weekly holiday on Friday and they also enjoy public holidays as per government holiday list. We have reviewed workers' monthly payroll sheets, time records, production capacity, daily production records, daily medicine issuing register, store, and other relevant records. The interviewed workers (including finishing section workers and loaders) said that at present Friday work is not done in the factory and they enjoy their weekly holiday on Friday.

Action Verified Date: 03/28/2010

Follow-up Plan of Action: Completed: The weekly day off in the area is Friday. Workers enjoy a weekly holiday on Friday and they also enjoy public holidays as per government holiday list. We have reviewed workers' monthly payroll sheets, time records, production capacity, daily production records, daily medicine issuing register, store, and other relevant records. The interviewed workers (including finishing section workers and loaders) said that at present Friday work is not done in the factory and they enjoy their weekly holiday on Friday.
