Workplace Conditions Assessment Report

Measured Results — Improved Performance

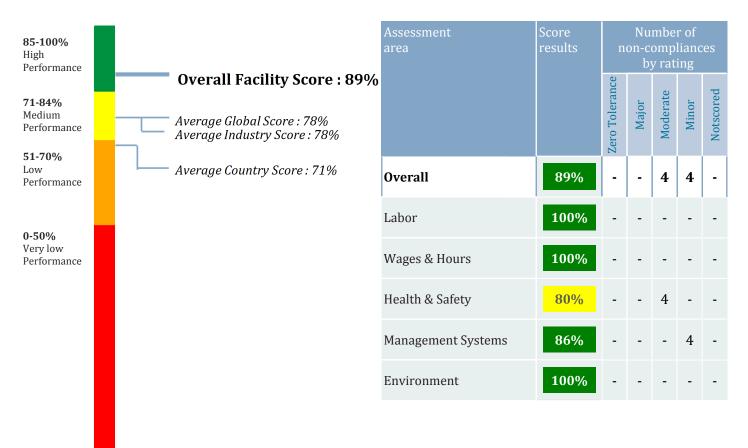


A.B.M FASHIONS LTD.

— GENERAL INFORMATION

89% **Overall Facility Score :**

		•	
Report No :	F_IAR_57209	City :	Gazipur
Audit Date :	Nov 13, 2018	Country :	Bangladesh
Last Audit :	Nov 06, 2017 (83%)	Auditors :	<i>Primary:</i> Md. Abdullah Al Mamun
Assessment Stage :	Annual		<i>Secondary:</i> Mohammad Salah Uddin, Syeda Rabeka Sultana
Schedule Type :	Announced	Service Provider:	Intertek





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WORKPLACE CONDITIONS ASSESSMENT

A. FACILITY PROFILE —A1. FACILITY INFORMATION -

Facility Name:	A.B.M Fashions Ltd.	Facility Legal Status:	Privately owned	
Facility Legal Name:	A.B.M Fashions Ltd.	Year facility began	January 2015	
Audit Location:	1143-1145, Konabari, Kashimpur,	operations: Located in special	No	
City:	Gazipur	economic zone:		
Country:	Bangladesh	Person responsible	Md. Mahmudul Huq, Asst.	
Contact Name:	Md. Mahmudul Huq	 for overall social compliance issues: 	Manager, Compliance	
Contact Title:	Asst. Manager, Compliance	Valid certificate	BSCI valid up to 23 March	
Industry:		2019		
		Vendor Name:	Bimpex Overseas HK Limited.	
		Security systems in place:	Yes The building has a perimeter wall around the compound. Guards are posted at main entrance gate of the premises. Facility has their 60 own security guards. However all security system have been controlled by CCTV.	
Building Description:)3) buildings which are made nted by the facility owner and	of mixture of rod, concrete and	

Content: An the buildings are reflected by the facility owner and no separate entity were round.
The facility description is as follows:Building 1 (6-storied): Ground floor is used as Security post, medical room, day care, cutting
section, fabric store, wastage room;
1st floor is used as finishing section, conference room, packing section, finished goods store,
accessories store;
2nd floor is used as Sewing, eyelet special section, CAD room ,office area;
4th floor is used as Sewing, office area.
5th floor is used as sewing, sample section, training room, worker dining area; Roof top is
vacant.Building 2 (single storied): Generator, boiler, compressor, and sub-station. Rooftop is vacant.
Building 3 (single storied): Fire pump and fire control room.
The facility does not have any dormitory facility.Special building type:NA



-A2. PRODUCTION INFORMATION ------

Products manufactured/ Services provided:	Woven tops and bottom.	Time record system(s) used:	Punch card system	
Production process/ Service elements:	Cutting, sewing , finishing, packing.	Chemicals or hazardous	Yes Machine oil, diesel	
Production capacity a week:	137500 pcs per week	materials on-site:		
Total number of machines:	1682 sets	Current production/ Services for client:	Yes	
Main machine types:	Plan machines, over lock machine, cutting machines, flat lock, single needle lock stitch, double needle lock stitch, bar take, blind stitch, button hole, inspection machines, boiler, generator, APW, Snap button, thread winding, Zig Zag, Kansai.			
Shifts and Operating hours:		and 1:20 pm to 2:20 pm.	am to 5:00 pm with 1 hour lunch The employees work from Saturday	

-A3. EMPLOYEE INFORMATION -----

Range of total number of	1001-5000 employees	Female Employees:	2024
employees at the facility:		Male Employees:	867
Union name:	None	Mgmt Employees:	223
Employs juvenile workers:	None	Production (Non- Management) Employees:	2668
Hires through	Yes Facility hire cleaning	Local Employees:	2891
employment agent:	employee through employment agent.	Foreign/Migrant Employees:	0
Employee nationalities/ provinces:	All are Bangladeshi	Languages spoken in the facility:	Bengali - Mother tongue and English - Official
F		Management and employees speak same language :	Yes

- A4. SUBCONTRACTOR INFORMATION -----

No subcontractor information given



-A5. GENERAL INFORMATION -

This is an annual audit for A.B.M Fashions Ltd. The facility situated at 1143-1145, Konabari, Kashimpur, Gazipur. The facility started its operation since January 2015. Land area of the facility is 43650 Square feet and Production floor is 192792 square feet. Besides, warehouse of the facility is 17000 Square feet. Production processes are of the facility cutting, sewing, finishing and packing. Facility compound consists of 03 buildings, details of it described under building description section. Facility has 06 certified electricians to monitor electrical safety. Facility has total of 2891 employees are currently working where 2668 are production employees and 223 are nonproduction employees. Among 2891 employees, 2024 are female employees and 867 are male employees. Shift details describe in relevant section. During the last six (6) months, 01 social audit was conducted in the facility where last one was done in 18 October 2018. The production capacity of the facility is 550,000 pieces per month. The facility does not have any subcontract procedure. Every floor and room has two or more stairs/exits for evacuate. During audit all exits and door was found open. Employees' wages are calculated on a monthly basis. At present production was found for client in the audited facility. Facility works for other brands. The facility management showed a positive attitude to this audit during the whole process. All documentation requested for review was provided timely. The facility management allowed conducting employee interview.

Emergency Preparedness Summary

Based on facility visit, documents review and management interview, over all emergency preparedness of the facility found below:

a) Mr. Jahirul Uddin is Fire Safety officer of the facility. He is the responsible person to give training to the employees. b) The facility has different types of fire safety equipment. Facility has fire extinguisher ABC 308, CO2 148, Foam type 05, fire dress 150, water bucket 28, fire drum 48, hose pipe 26, fire bitter 42, fire hook 42, gas musk 65, hand gloves 73, lock cutter 08, helmet 63, gong bell 14, emergency light 268, emergency exit light 62, fog light 63, gumboot 46, blanket 68, stretcher 08. All firefighting equipment is mounted in such a way that can be visible to employees and can be taken without problems.

c) Operational instructions were posted beside all fire extinguishers in local language. Facility has a system of checking firefighting equipment daily.

d) Facility has emergency preparedness team consisting of fire fighter, rescuer and first aid responder which includes 234 Fire fighter, 90 Rescuer and 144 First aid responder.

e) Facility has a designated assembly point in front of the facility building. Moreover facility has a valid hospital contact for emergency medical service with Konabari Clinic & Diagnostic Center.

f) Lighting and ventilation of the facility found very good.

g) Safety officer of the facility provides awareness training on evacuation procedure and emergency preparedness to the employees and last awareness training was conducted on 20 September 2018 with 12 participants

-A6. AUDIT PROCESS -

Audit pay period provided for review

Records	From	То
12 Months Payroll	01-11-2017	31-10-2018
12 Months Attendance	01-11-2017	31-10-2018
Special Comments	N/A	

Payroll and attendance records sampling

Employee interview sampling

Individual	30
Group	2 groups of 5 members
Total interviewed	40

Period	From	То	Peak Season	Records Reviewed
Current Period	01-10-2018	31-10-2018	No	30
Period 1	01-06-2018	30-06-2018	No	10
Period 2	01-12-2017	31-12-2017	Yes	10
Total				50

Other records reviewed

Personnel records	Security log book
Production records	Non-Production records
Employment contracts	Legal Permits
Social insurance documentation	Employee leave register
Infirmary logs	Machine maintenance records
Other : All training, policies etc.	





B. KEY PERFORMANCE METRICS

= B1. COMPARISON BENCHMARK =

Current performance — Global average, Bangladesh average, Apparel average



= B2. PERFORMANCE TREND ANALYSIS

Section Name	Current (13-Nov-2018)	Last (06-Nov-2017)	First (05-Oct-2015)	Change (Current-Last)	Change (Current-First)
Labor	100	97	93	3 %	7 %
Wages & Hours	100	100	55	0 %	81 % 🔺
Health & Safety	80	74	60	8 %	33 % 🔺
Management Systems	86	74	51	16 % 🔺	68 % 🔺
Environment	100	90	46	11 % 🔺	117 %
Overall Score	89	83	62	7 %	43 % 🔺
🔺 Advancers 💻 Co	nstant 🔻 Declir	ner			

PERFORMANCE RATING

Very Low (0% - 50%)

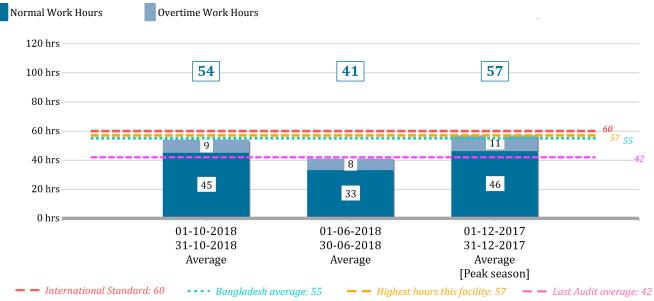
Low (51% - 70%)

Medium (71% – 84%)

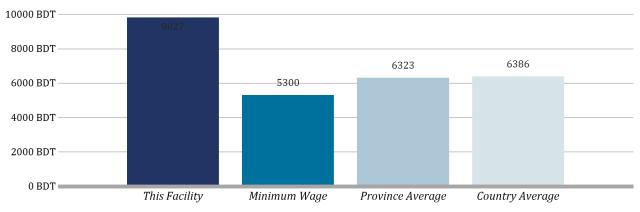


- B3. WORKING HOURS AND WAGES





Average wages paid in local currency (BDT)



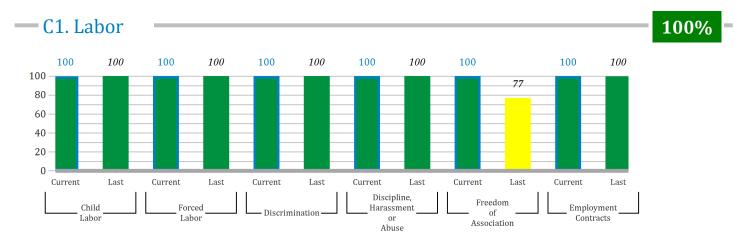


Special wage circumstances:	As per Bangladesh Government Gazette 2013, December, 5
	Grade-1 Pattern Master: Basic salary- Tk. 8500, House rent- Tk. 3400, Medical- Tk. 250, Conveyance
	allowance 200, food allowance 650 Total- Tk. 13000.00
	Grade-2 Senior Mechanic: Basic salary- Tk. 7000, House rent- Tk. 2800, Medical- Tk. 250, Conveyance
	allowance 200, food allowance 650, Total- Tk. 10900.00
	Grade-3 Sample Machinist: Basic salary- Tk. 4075, House rent- Tk. 1630, Medical- Tk. 250,
	Conveyance allowance 200, food allowance 650, Total- Tk. 6805
	Grade-4 Sewing machine operator: Basic salary- Tk. 3800, House rent- Tk. 1520, Medical- Tk. 250,
	Conveyance allowance 200, food allowance 650, Total- Tk. 6420.00
	Grade-5 Junior Sewing machine operator: Basic salary- Tk. 3530, House rent- Tk. 1412, Medical- Tk.
	250, Conveyance allowance 200, food allowance 650, Total- Tk. 6042.00
	Grade-6 General sewing machine operator: Basic salary- Tk. 3270, House rent- Tk. 1308, Medical- Tk.
	250, Conveyance allowance 200, food allowance 650, Total- Tk. 5678.00
	Grade-7 Assistant sewing machine operator: Basic salary- Tk. 3000, House rent- Tk. 1200, Medical-
	Tk. 250, Conveyance allowance 200, food allowance 650, Total- Tk. 5300.00
Wages and hours summary:	(1) The employees work for 6 days in a week. Friday is the weekly holiday. There is one general shift
	in garments section start from 08:00am to05:00 pm. including lunch break starting from 01:00 pm to
	02:00 pm. (2) Punch card is used for time recording system. (3) Facility has working hour policy and
	social benefits policy where facility mentioned working hours should be maintain as per local law.
	Note As per circular published on 09 October 2018 from Ministry of employment, facility can do 04
	(Four) hours overtime in a day with the consent of the employees up to 06 (Six) months starting from
	19 October 2018 to 16 April 2019 upon fulfilling the below conditions: a) OT should be paid at the
	rate of 200% of regular WH. b) Overtime should be voluntary. c) Weekly day off to be ensured.
	Facility ensures one day off after six days worked. (5) Facility provided 11 days festival leave in a
	year with full payment. Based on randomly checked 05 employees final settlement file review and
	management interview it was noted that, calculation for annual leave encashment was not as per law.
	(6) All employees were getting their wages in a timely manner within 7 working days after
	completion of the month. (7) based on document review (salary sheet, employee appointment letter),
	facility ensured minimum wages to all employees as per their grade/job designation. Facility has
	followed garments gazette for garments section employees. Facility provides minimum wages for
	garments worker BDT 5300. (8) Facility deducted only for unauthorized absent from their basic
	wages and BDT 10 for revenue stamp. (9) Based on salary sheet review, employee and management
	interview, beyond the local law facility provides attendance bonus monthly for all employees as per
	company policy.



C. PERFORMANCE DETAILS

Current (13-Nov-2018) Last (06-Nov-2017)



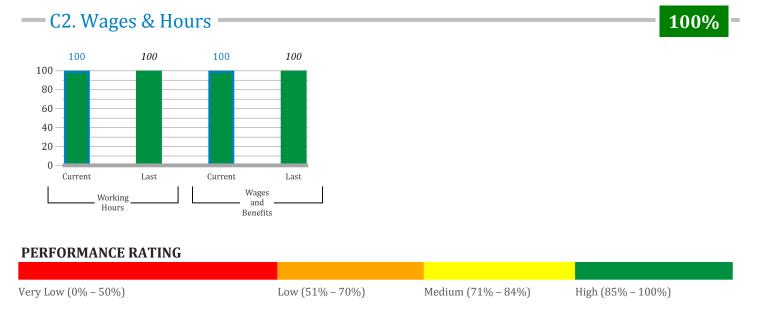
Sub Section: Freedom of Association

Status	Findings	% Global freq of compliance
• Corrected	86.00 : <i>Previous Non-Compliance</i> : Work representatives within the facility are not freely elected without management interference Auditor's comment Facility has formed Participation committee through election process on 4 January 2018 and conducted meeting once in every two months. Last meeting held on 24 October 2018.	96%
Additional Find	ings	

In accordance with Bangladesh Labour Rules 2015, Rule: 19(5)

Each owner will provide identity card with the photograph to each worker working in the firm at the costs of the owner as per Form-6.

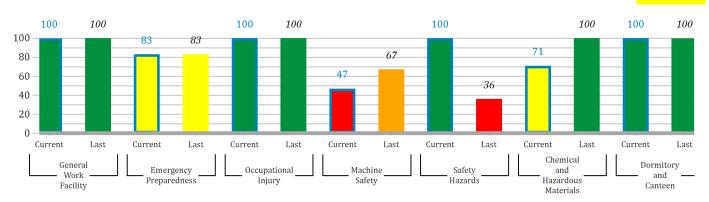
Based on management interview & ID card review it was noted that 30% employees ID card were not updated as per local legislation.





80%

C3. Health & Safety



Sub Section: Emergency Preparedness

Status	Findings	% Global freq of compliance
Corrected	192.00 : <i>Previous Non-Compliance</i> : There are no and/or missing evacuation plans posted throughout the facility <i>Auditor's comment</i> Facility has posted correct evacuation plan throughout the facility including dining area.	86%
• Moderate	 197.00: There has not been an emergency evacuation drill for all areas and shifts in the last 12 months or as required by law <i>Auditor's comment</i> Based on fire drill record review and management interview it was noted that, facility conducted fire drill once in every two month. Last fire drill conducted at day time on 11 October, 2018. But facility did not inform to nearest fire service and civil defense with in six month which was required by law. In accordance with Bangladesh Labor Rules 2015, Section 55(14) As per Section 62(8), fire drills and emergency evacuation drills have to be arranged at least once in every six month period and the same has to be preserved in respective record books, in accordance with Form- 22. In addition, the concerned Inspector and nearby Fire Service Station have to be informed minimum 15 days before the drills are held. 	82%

Sub Section: Machine Safety

Status	Findings	% Global freq of compliance
Moderate	223.00 : Points of operation and other potentially dangerous parts are not operated with proper machine safeguards	84%
	<i>Auditor's comment</i> Based on facility It was noted that Needle guard was found displaced with approximately 30% of sewing machine and eye guard was found displaced with approximately 30% of button hole, flat lock, kansai & over lock machines in sewing sections located at 3rd, 4th & 5th floors of production building	
	 Bangladesh Labour Law 2006, Chapter VI, Safety, Section 63 (1)d 3 and Labor Rules 2015, Section 64(2) In every establishment the following shall be securely fenced by the safeguards of substantial construction which shall be kept in position while the part of machinery required to be fenced are 	
	in motion or in use, namely-d. Unless they are in such positions or of such construction as to be as safe to every person employed in the establishment as they would be if they ware securely fenced- iii) every dangerous part of any machinery. Effective machine guard or eye safety goggles must be installed/used in all cases where the possibility of having injuries in the eye is high.	

PERFORMANCE RATING

Very Low (0% - 50%)

Low (51% - 70%)

Medium (71% - 84%)



Sub Section: Machine Safety

Status	Findings	% Global freq of compliance
• Moderate	 226.00 : The facility does not monitor the employees to ensure personal protective equipment (PPE) required to control machine safety hazards is correctly used <i>Auditor's comment</i> Based on facility visit it was noted that 02 out of 02 employees of fusing machine was not wearing hand gloves while working located at ground floor of production building. In accordance with Bangladesh Labor Rules 2015, Section 67(1-3) 1) Safety measures and health safety must be arranged in accordance with the directions of this Rule or the regulations of the concerned govt. department for the workers who are employed in the procedures of manufacturing processes that have high risks of physical injury or loss. 2) In addition to the arrangement of safety and health protection measures mentioned in Sub-section (1), the concerned manufacturing institute must provide necessary equipments, including safety shoes, helmets, goggles, masks, hand gloves, ear muffs, ear plugs, waist belts, aprons etc. and arrange training programs for the workers in using these materials and ensure their usage. 3) No worker can be employed in the relevant works without ensuring safety and health protection measures mentioned in sub-section measures and the training related therewith. In addition, personal safety equipments must be preserved in accordance with Information Form-23. 	91%
Sub Section: Sa	fety Hazards	

Status		% Global freq of compliance
• Corrected	239.00 : <i>Previous Non-Compliance</i> : The facility does not operate in a building matched to its authorized purpose <i>Auditor's comment</i> Facility operates as per approved layout.	89%
• Corrected	 240.00 : Previous Non-Compliance : The facility (including construction projects) does not have all of the building permits and/or fire safety permits as per the legal requirements Auditor's comment Facility use all building as per legal requirements. Previously facility used one additional 6 storied rented building (no-03) but now they are not using that building. 	73%

PERFORMANCE RATING

Very Low (0% - 50%)

Low (51% - 70%)

Medium (71% – 84%)



Sub Section: Chemical and Hazardous Materials

		% Global freq of compliance
• Moderate 248.00 : Material	safety data sheets (MSDS) are not available	87%
	<i>t</i> Based on facility visit and management interview it was noted that, 01 out of pot removing chemicals) were not stored with Material Safety Data sheet om of building-2	
The owner shall pla	h Bangladesh Labor Rules 2015, Section – 68(10) ice Material Safety Data Sheet (MSDS) of dangerous materials in an easily that the employed worker can be well informed about the possible hazards.	

Additional Findings

In accordance with Bangladesh Labour Rules 2015, Rule 55(11): The members of firefighting team, rescue team and first aid team must wear the prescribed uniform while conducting their respective operations and the dress code shall be as follows: a) Firefighting team: Yellow colored apron, in rear of which 'FIRE' shall be written in red color.

b) Rescue team: Yellow colored apron, in rear of which 'RESCUE' shall be written in red color.

c) First aid team: White colored apron, in rear of which 'FIRST AID' shall be written in red color.

Based on management interview it was that the facility did not provided prescribed uniform to the members of firefighting team, rescue team and first aid team.

Note that, different uniform provided to the firefighting team which is not match with the law.

In accordance with Bangladesh Labour Rules 2015, Rule 80 (1): As per Section 90, following data and information must be preserved in the Safety Record Book of each factory or industry unit and the book has to be shown to the Inspector if the same is sought by him/her:

a) List of equipment and chemical products that might pose severe health hazard or risk;

b) Preventive measures taken against hazardous products, possible effects of them upon the health of the workers and the arrangement of primary aid;

c) Description of personal protection instruments preserved for workers and details about the instruments used by the workers;

d) Complete list of instruments;

e) The date on which fire drill was conducted and the number of participants in it;

f) Date of refilling the fire-extinguishing instruments and containers;

g) Information about the electrical wiring and the tests conducted about the usefulness of the instruments;

h) List of the members of safety committee and the date of arranging training related therewith and the number of trainees in it;

i) And other types of data related with safety that is taken by the Owner;

Finding:

Based on management interview and site tour it was noted that the facility management did not maintain with update data & information in 'Preserving Safety Record Book" as per rules.

PERFORMANCE RATING

Very Low (0% - 50%)

Low (51% - 70%)

Medium (71% – 84%)

- C4. Management Systems



Sub Section: Management Systems

Status	Findings	% Global freq of compliance
• Corrected	 292.00 : Previous Non-Compliance : A formal Health & Safety committee has not been established at the facility Auditor's comment Facility has Health & Safety committee with 10 members (5 members from management side and 5 members from employee side) and all are selected by elected participation committee members as per legal legislation. 	94%
• Minor	296.03 : The facility has comprehensive employment practice processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented <i>Auditor's comment</i> Based on document review, facility visit and management interview, the facility has comprehensive processes and procedures in a written manual to support the implementation of the employment practice like child labor, force labor, employment contract, recruitment system, freedom of association, discipline and harassment but they are not all being properly implemented as reflected by the non-conformance on ID(Identity Card) card.	82%
• Minor	 296.06 : The facility has comprehensive emergency preparedness processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented <i>Auditor's comment</i> Based on document review, facility visit, employee and management interview, the facility has comprehensive processes and procedures in a written manual to support the implementation of the emergency preparedness procedures but they are not all being properly implemented as reflected by the non-conformance on fire drill, safety data board and firefighting team, rescue team and first aid team dress. 	65%
• Minor	296.07 : The facility has comprehensive employee safety processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented <i>Auditor's comment</i> Based on document review, facility visit and management interview, the facility has comprehensive processes and procedures in a written manual to support the implementation of the employee safety procedure like occupational injury, machine safety and safety hazards but they are not all being properly implemented as reflected by the non-conformance on machine safety guard displaced and employee ppe uses.	52%

PERFORMANCE RATING

Very Low (0% - 50%)

Low (51% – 70%)

Medium (71% - 84%)





Sub Section: Management Systems

Status	Findings	% Global freq of compliance
● Minor	 296.09 : The facility has comprehensive chemicals management processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented <i>Auditor's comment</i> Based on document review, facility visit and management interview, the facility has comprehensive processes and procedures in a written manual to support the implementation of the chemical safety procedure but they are not all being properly implemented as reflected by the non-conformance on msds missing for chemical drum. 	74%
• Corrected	310.00 : <i>Previous Non-Compliance</i> : The facility's social compliance policy and requirements are not communicated to all suppliers and/or subcontractors in local language <i>Auditor's comment</i> Facility has a policy and procedure to evaluate their supplier and communicate their social compliance policy and procedure with them as well as conduct audit that factories.	73%

PERFORMANCE RATING

Very Low (0% - 50%)

Low (51% - 70%)

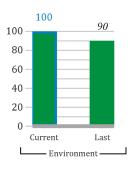
Medium (71% – 84%)

High (85% – 100%)

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WORKPLACE CONDITIONS ASSESSMENT





Sub Section: Environment

Status	Findings		% Global freq of compliance	
• Corrected	322.00 : <i>Previous Non-Compliance :</i> The facility does not have any environmental management system in place <i>Auditor's comment</i> Facility has developed an environment management system.		74%	
% Global Frequency of Compliance:		Represents the implementation percentage performance of all suppliers participating in the WCA Community globally for each issue		
Identification numbers:		Represents the finding ID associated with each checklist question		

RECOMMENDATION FOR IMPROVEMENT PLAN TIMELINE

- Minor Take action within 0 ~ 6 months to make necessary improvements.
- Moderate: Take action within 0 ~ 3 months to make necessary improvements.
- Major : Take action within 0 ~ 1 month to make necessary improvements.
- Zero Tolerance: Take immediate action to make necessary improvements.

PERFORMANCE RATING

Very Low (0% - 50%)

Low (51% - 70%)

Medium (71% – 84%)



D. STRENGTHS AND CHALLENGES

Facility Strengths: Facility performance ranks in the top percentile of the population and/or has implemented a best practice process	Rating	Global Freq. of Compliance%
Total overtime hours are within allowable limits under applicable law or agreement.	Moderate	47%
The facility has comprehensive working hour and wages management processes and procedures in a written manual that support adherence to social compliance requirements and are being properly implemented	Minor	49%
The facility provides social security, pensions, healthcare and/ or other insurance to employees as per legal requirement.	Moderate	57%
Total working hours during the period specified by the waiver are within allowable limits under the waiver.	Moderate	58%

Challenges: Facility performance ranks in the bottom percentile of the population	Rating	Global Freq. of Compliance%
The facility does not monitor the employees to ensure personal protective equipment (PPE) required to control machine safety hazards is correctly used	Moderate	91%
Material safety data sheets (MSDS) are not available	Moderate	87%
Points of operation and other potentially dangerous parts are not operated with proper machine safeguards	Moderate	84%
The facility has comprehensive employment practice processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented	Minor	82%
There has not been an emergency evacuation drill for all areas and shifts in the last 12 months or as required by law	Moderate	82%
The facility has comprehensive chemicals management processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented	Minor	74%
The facility has comprehensive emergency preparedness processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented	Minor	65%

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