

2010

# FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: Ash City COUNTRY: Bangladesh FACTORY CODE: 11700051146I

**MONITOR:** ASK

**AUDIT DATE:** September 21 – 22, 2010

PRODUCTS: Jackets
PROCESSES: Full
NUMBER OF WORKERS: 984



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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)

#### **Uncorroborated Evidence of Noncompliance**

**Explanation:** None of the 86 workers interviewed were aware of their leave entitlements; they said

that the leaves are deducted from their salaries. However, management has maintained

a leave register in which every worker's paid leaves are recorded.

Plan Of Action:

Develop policies and procedures on terms of employment and implement educational sessions to inform all workers about their rights and benefits. This would be done by providing employees educational sessions and getting each worker to sign a sheet proving their understanding. This will be introduced to workers at the beginning of the recruitment process. Also, it is advised for employee that does not understand to meet with the WPC Committee to ensure their full understanding. Any employee who feels that they were not given their leave will be encouraged to report to the WPC Committee for further action.

Deadline

11/30/2010

Date:

**Supplier** Ash City has hired a third-party independent compliance auditor to ensure that the

**CAP:** actions above were carried out.

Supplier CAP Date:

**Action** This team has verified that this is complete by training records review and WPC and

**Taken:** worker interviews.

Plan Yes

Complete:

Plan 11/30/2010



## Wages, Benefits and Overtime Compensation: Payment for All Hours Worked

WBOT.7 Workers shall be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work. (S)

### **Uncorroborated Evidence of Noncompliance**

**Explanation:** 58% of workers reported that they are not paid for all the overtime hours they work.

The overtime hours actually worked are more than the overtime hours recorded and

paid by the factory.

**Plan Of** Record and pay all hours of work properly. Management will monitor and ensure all

Action: hours are recorded and paid in accordance with the law. Factory also will pay arrears for

all unpaid hours.

**Deadline** 10/31/2010

Date:

**Action** The external compliance monitoring team has verified this practice is in effect through

**Taken:** document review (in and out time records, payment records, pay slips) and worker

interviews. This team also confirmed that the factory had paid for all unpaid hours.

Plan Yes

Complete:

Plan 11/30/2010

Complete



## Wages, Benefits and Overtime Compensation: Worker Wage Awareness

WBOT.22 Employers shall make every reasonable effort to ensure workers understand the wages, including the calculation of wages, incentives systems, benefits and bonuses they are entitled to in a factory and under applicable laws. To this end, employers shall communicate orally and in writing to all workers all relevant information in the local language or language(s) spoken by the workers, if different from the local language. (P)

#### **Noncompliance**

**Explanation:** All workers interacted with were found to have low awareness of the wage and overtime

calculations. Management does not issue pay slips to workers.

Plan Of The factory is to 1) develop policies and procedures and 2) implement educational

**Action:** sessions to inform all workers about wages, including wage calculation, incentive system,

benefits, and bonuses they are entitled to. This will be introduced to workers at the beginning of the recruitment process. Factory shall issue pay slips to workers.

**Deadline** 09/30/2010

Date:

**Supplier** Educational sessions were arranged to inform all workers about wages, including wage

**CAP:** calculation, incentive system, benefits, and bonuses and will issue pay slips to workers.

Supplier CAP Date:

Action Ash City's external compliance monitoring team verified the action through document

**Taken:** review (training records, pay slips) and worker interviews.

Plan Yes

Complete:

Plan 11/30/2010

Complete



## Wages, Benefits and Overtime Compensation: Posting Notices

WBOT.23 All notices that are legally required to be posted in the factory work areas shall be posted. All legally required documents, such as copies of legal code or law, shall be kept at the factory and available for inspection. (P)

## **Noncompliance**

Explanation: It was observed during physical walkthrough that no legally required postings were

posted on or near the workers' area.

**Plan Of** Factory is to post all legally required postings near work areas and in the local language.

Action: Notices include Labour Code 2006, minimum wages gazette, working hours, payment,

overtime hours, and legally required benefits.

**Deadline** 11/30/2010

Date:

Action Ash City's external compliance monitoring teams has verified that all postings are

**Taken:** present by a plant tour.

Plan Yes

**Complete:** 

Plan 11/30/2011



## Wages, Benefits and Overtime Compensation: Contestation of Wage Payments

WBOT.24 Employers must establish a system through which workers can contest wage payments and receive clarifications in this respect in a timely manner. (P)

### **Noncompliance**

Explanation: All workers interacted with reported that they can request their production manager to

show them their 1) total hours of overtime and 2) payment of overtime on the day after wage payment. However, workers are only informed; there are no opportunities to

contest or appeal.

**Plan Of** Develop policies and procedures. Factory to give workers the opportunity to contest or

**Action:** appeal in respect to total hours of overtime and overtime payment.

**Deadline** 10/31/2010

Date:

**Supplier** Workers will have the opportunity to contest or appeal to management about total

**CAP:** hours of overtime and overtime payment. Management will issue a notice to workers on

reporting to management if they have any grievance on that issue. Management will

show all hours of overtime work and overtime payment to workers.

Supplier CAP Date:

Action Action has been verified by Ash City's external compliance monitoring team through

**Taken:** document review (in and out time records, payment records, pay slips) and worker

interviews.

Plan Yes

Complete:

Plan 11/30/2010

Complete



## Wages, Benefits and Overtime Compensation: Pay Statement

WBOT.26 Employers shall provide workers a pay statement each pay period, which shall show earned wages, wage calculations, regular and overtime pay, bonuses, all deductions and final total wage. (P)

## Noncompliance

Explanation: 37% of workers interacted with reported that they do not get any pay receipts or pay

slips.

**Plan Of** Develop policies and procedures. Issue pay slips to workers to inform all workers about

**Action:** their wages, including wage calculation, incentive system, benefits, and bonuses. This

will be introduced to workers at the beginning of the recruitment process.

**Deadline** 11/30/2010

Date:

**Supplier** Pay slips will be issued to workers.

CAP:

Supplier CAP Date:

Action Action has been verified by Ash City's external compliance monitoring team through

**Taken:** document review (policy, overtime slips) and worker interviews.

Plan Yes

Complete:

Plan 11/30/2010



## Forced Labor: Freedom of Movement/Employer Controlled Residence

F.12 The freedom of movement of workers who live in employer controlled residences shall not be unreasonably restricted. (P)

### **Noncompliance**

Explanation: 34% of workers interacted with (especially female workers) reported that they do not

get a gate pass during lunch time to go out for lunch.

**Plan Of** Factory is to not restrict movement during lunchtime for workers to get out for lunch.

**Action:** The gate pass system shall be stopped immediately, so workers can go out at lunchtime

without any question by factory management or security guard. Factory management

will issue an office order in this regard.

**Deadline** 08/30/2011

Date:

**Supplier** Factory management issued an office order August 3, 2011 in this regard. The office

**CAP:** order was announced to all workers in a general meeting; it states that workers have the

right to move on their own at lunchtime.

Supplier 08/03/2011

CAP Date:

**Action** Factory management issued an office order in this regard. The office order announced to

**Taken:** all workers in a general meeting, stating that workers have the right to move by their

own will at lunchtime. Gate pass system has been stopped for movement at lunch time. Workers can get out easily without any restriction at lunchtime to go to their houses and take lunch. Action has been verified by Ash City's external monitoring team through

review of the office order and worker interviews.

Plan Yes

**Complete:** 

Plan 08/03/2011

Complete



#### **Forced Labor: Forced Overtime**

F.14 The imposition of mandatory overtime beyond the limits set by the law, a freely negotiated collective bargaining agreement, and/or the FLA Code, in an environment where a worker is unable to leave the work premises, constitutes forced labor. (S)

## Noncompliance

Explanation: 36% of workers interacted with reported that they undergo mandatory overtime. 4% of

workers reported that if they do not agree to work overtime their regular work day

attendance for the day is marked "Absent."

**Plan Of** Policy of voluntary overtime shall be introduced and implemented. Factory is to obtain

**Action:** worker's consent before overtime.

**Deadline** 11/30/2010

Date:

**Action** Volunteer overtime policy has been introduced and consent of work has been taken

**Taken:** before doing overtime. Ash City's external monitoring team verified this through

document review (policy, overtime slips) and worker interviews.

Plan Yes

**Complete:** 

Plan 11/30/2010



## Freedom of Association: General Compliance Freedom of Association

FOA.1 Employers shall comply with all local laws, regulations and procedures concerning freedom of association and collective bargaining. (S)

### **Noncompliance**

Explanation: Management reported that there is no Worker Participation Committee in the factory

and that they have formed an Environment, Health and Safety Committee (WPC). All workers interacted with reported having very low awareness about the committee, its

mandate, and its functions.

**Plan Of** Factory is to develop a written policy and procedure on Freedom of Association (FOA)

Action: and shall form a WPC as per Bangladesh labor law. Workers of different sections shall be

presented through elections. WPC Committee shall arrange meetings regularly. Meeting minutes will be recorded and posted on notice board for general employee awareness.

**Deadline** 11/30/2010

Date:

**Supplier** Freedom of Association policy has been developed and WPC as per Bangladesh labor law

**CAP:** has been formed in the factory. WPC will be formed as per law.

**Supplier** 09/30/2010

**CAP Date:** 

Action FOA policy has been developed and WPC as per Bangladesh labor law has been formed in the factory. Workers of different sections selected their representatives by hand vote

in the factory. Workers of different sections selected their representatives by hand vote. Management nominated their representatives. Photo of worker representatives is

displayed on all floors. Workers are well known by representatives. WPC is arranging meetings every 2 months. Notice of the meeting (with agenda) is issued prior to

meeting, on the notice is the opportunity to submit any topics for discussion to the WPC. Minutes recorded and posted on the notice board for general employee awareness.

Social dialogue system training is arranged for WPC members.

Plan Yes

**Complete:** 

Plan 11/30/2010

Complete



## Harassment or Abuse: Discipline/Written Disciplinary System

H&A.5 Employers shall maintain a system of written disciplinary rules, procedures and practices. Disciplinary rules, procedures and practices shall be clearly communicated to all workers. (P)

### **Noncompliance**

**Explanation:** Out of 86 workers, none were aware of the harassment and abuse policy. 37 out of 86

workers also reported that they are also not aware of the disciplinary procedures.

Plan Of Action:

Factory is to develop clear and detailed policies and procedures of 1) non-harassment and abuse and 2) disciplinary measures. Factory is to also implement education sessions to inform all workers about harassment and abuse policy and disciplinary rules. Policy and procedure will include an induction program for new workers. In addition to "prohibition of any kinds of physical and/or verbal abuse," disciplinary procedures should involve clear sanctions against those perpetrating physical and/or verbal abuse. Workers should be aware of policy and procedures and should know whom to approach in case of violations. Provide detailed information on sanctions to be implemented and person in charge of dealing with workers' complaints on harassment and abuse.

Deadline

11/30/2010

Date:

CAP:

**Supplier** 

Educational sessions will be formed and arranged to inform all workers about harassment and abuse policy and disciplinary rules, procedures and practices.

Supplier CAP Date:

Action Taken:

Educational sessions to inform all workers about the harassment and abuse policy and disciplinary rules, procedures and practices were completed. Ash City's external

compliance monitoring team verified that the action was complete by document review

(policies, procedures, training records) and worker interviews.

Plan Yes

**Complete:** 

11/30/2010

Complete

Date:

Plan



## 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: 6% of workers interviewed (all 5 workers interviewed off site) confirmed that there are

instances of physical abuse in the factory.

**Plan Of** Factory is to 1) develop policies and procedures on non-harassment and abuse and on

**Action:** disciplinary measures and 2) stop all forms of physical violence to maintain labor

discipline. Any kind of physical contact as means of labor discipline shall be prohibited. Educational sessions for supervisors and managers will be arranged. Harassment and abuse policy and disciplinary rules, procedures, and policies shall be communicated to

supervisors and managers.

**Deadline** 11/30/2010

Date:

Action Action has been taken to arrange education sessions for supervisors and managers on

Taken: the harassment and abuse policy and disciplinary rules, procedures, and practices. A

reporting system on policy noncompliance has been developed and communicated to workers. Ash City's external compliance monitoring team verified this through training

record review and worker interviews.

Plan Yes

Complete:

Plan 11/30/2010

Complete



## 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: 6% of workers interviewed (all 5 workers interviewed off site) confirmed that there are

instances of verbal abuse in the factory.

**Plan Of** Factory is to 1) develop policies and procedures on non-harassment and abuse and on

Action: disciplinary measures and 2) stop all forms of verbal violence as means to maintain labor

discipline. Any kind of verbal abuse as means of labor discipline shall be prohibited. Educational sessions for supervisors and managers will be arranged. Harassment and abuse policy and disciplinary rules, procedures, and policies shall be communicated to

supervisors and managers.

**Deadline** 11/30/2010

Date:

**Supplier** The non-harassment and abuse policy, disciplinary measures procedures shall be

**CAP:** developed.

Supplier CAP Date:

Action Action has been taken to arrange education sessions for supervisors and managers on

**Taken:** the harassment and abuse policy and disciplinary rules, procedures, and practices. The

new policy and procedures have been included during new working induction training. Ash City's external monitoring team confirmed that the harassment and abuse policy has been created and educational sessions were completed. This was verified through

training record review and worker interviews.

Plan Yes

**Complete:** 

Plan 11/30/2010



## Harassment or Abuse: Violence/Harassment/Abuse

H&A.13 Employers shall ensure that the workplace is free from any type of violence, harassment or abuse, be it physical, psychological, sexual, verbal, or otherwise. Employers shall refrain from any action – and shall take all appropriate action to ensure that all workers refrain from any action – that would result in an intimidating, hostile or offensive work environment for workers. (S)

## **Noncompliance**

Explanation: None of the workers interviewed were aware of the factory's harassment and abuse

policy. 6% of the workers interviewed confirmed that there are instances of physical and verbal abuse in the factory. Also, a similar percentage of workers reported that if any worker was late by even 10 minutes, they are asked to work in a standing position until

the production manager comes to the office.

Plan Of Factory is to develop a policy and procedure guideline on 1) non-harassment and abuse

Action: and 2) disciplinary measures and is to stop all forms of abuse as identified above.

**Deadline** 11/30/2010

Date:

**Supplier** Educational sessions for supervisors and managers will be arranged. Harassment and CAP:

abuse policy and disciplinary rules, procedures and practices shall be communicated to

supervisors and managers.

**Supplier** 09/30/2010

**CAP Date:** 

**Action** Action has been taken to arrange educational sessions for supervisors and managers

Taken: about the harassment and abuse policy and disciplinary rules, procedures and practices.

Action has been verified by Ash City's external compliance monitoring team through

training record review and worker interviews.

Plan Yes

**Complete:** 

Plan 11/30/2010

Complete



## **Child Labor: Other Means of Age Verification**

CL.4 In those cases where proof of age documentation is not readily available or unreliable, employers shall take all necessary precautions which can reasonably be expected of them to ensure that all workers are at least the minimum working age, including requesting and maintaining medical or religious records of workers, or through other means considered reliable in the local context. (P)

## Noncompliance

**Explanation:** The factory's age verification system is not robust. None of the age verification

documents (including age certificate by a doctor, education certificate, national identity card) are available in personnel files. Auditors observed 1 young worker (17 years old) employed during the personnel record review. Workers also confirmed that they

themselves develop fake age certificates to get employment.

**Plan Of** Factory is to verify the age of the workers. Also, age certificates submitted by workers

**Action:** shall have to be verified by a registered physician.

**Deadline** 11/30/2010

Date:

**Supplier** A registered physician will be recruited to verify workers' ages and age certificates.

CAP:

**Supplier** 09/30/2010

**CAP Date:** 

Action A registered physician has been recruited to verify workers' ages and age certificates.

**Taken:** Action has been verified by Ash City's external compliance monitoring team by personal

observation and age certificate review.

Plan Yes

**Complete:** 

Plan 11/30/2010



## **Child Labor: Employment of Young Workers**

CL.6 Employers shall comply with all relevant laws that apply to young workers (i.e., those between the minimum working age and the age of 18) including regulations relating to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime. (P)

#### Noncompliance

**Explanation:** Audit team found 1 sample file with age proof; a 17 year old is employed at the factory.

Workers reported that some of the young workers were asked to leave the premises on the 1st day of the audit; all young workers were asked to do so on the 2nd day of the audit. 36% of workers interviewed also reported that 2 hours of overtime is mandated

for young workers.

**Plan Of** Factory is to verify workers' ages. Age certificates must be submitted by workers and be **Action:** verified by a registered physician. Factory shall consider the specific rules of Bangladesh.

verified by a registered physician. Factory shall consider the specific rules of Bangladesh labor law 2006 on hiring young workers. Work hours and conditions (including not engaging any young workers in hazardous jobs) shall have to be considered during the

hiring process.

**Deadline** 11/30/2010

Date:

**Supplier** Age certificates of all workers will be verified properly by a registered physician and we

**CAP:** will comply with the laws that apply to young workers.

**Supplier** 09/30/2010

**CAP Date:** 

Action Action has been taken to verify the ages of all workers by a registered physician and to

**Taken:** comply with the laws that apply to young workers. Ash City's external compliance

monitoring team verified this by document review (age certificates, overtime policy) and

observation tour of site.

Plan Yes

Complete:

11/30/2010

Complete Date:

Plan



## Non-Discrimination: Pregnancy Testing

D.6 Employers shall not use pregnancy tests or the use of contraception as a condition of hiring or of continued employment. Employers shall not require pregnancy testing of female workers, except as required by national law. In such cases, employers shall not use (the results of) such tests as a condition of hiring or continued employment. (S)

#### **Noncompliance**

**Explanation:** Workers reported that there is a practice of pregnancy testing at the time of recruitment

for both married and unmarried women on a selective basis. The nurse responsible for

the medical center also confirmed this information.

Plan Of

Factory is to stop pregnancy testing upon hire or in continued employment.

Action:

Deadline

11/30/2010

Date:

Supplier

Non-pregnancy testing policy will be developed and implemented.

CAP:

Supplier

09/30/2010 **CAP Date:** 

Action A policy banning pregnancy testing has been developed and implemented. Ash City's

Taken: external compliance monitoring team has verified that the policy has been developed by

policy review and worker interviews.

Plan Yes

Complete:

Plan 11/30/2010



## **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: As discussed with management, workers are not involved in the development and

implementation of the health and safety policy.

**Plan Of** Factory is to develop a health and safety policy in consultation with factory workers.

**Action:** Worker representatives shall be included in the committee. Committee would arrange

meetings every month for reviewing the factory's health and safety conditions. Meeting minutes shall be recorded and meeting decisions shall be implemented and monitored.

**Deadline** 11/30/2010

Date:

**Supplier** Health and safety policy has been developed with consultation with Workers'

**CAP:** Participation Committee. Worker representatives are included in the committee.

Committee arranges meetings every month for reviewing the factory's health and safety conditions. Meeting minutes have been recorded and meeting decisions implemented.

**Supplier** 10/28/2010

**CAP Date:** 

Action Action has been taken to assign a H&S Officer and a H&S management system has been

**Taken:** implemented in the factory. Policies and procedures have been developed, setting

objective and targets; allocated resources; responsibilities and accountabilities; and arranged training and awareness. Communicated health and safety issues to employees; controlled operations, emergency preparedness and response procedures developed; all activities documented; monitoring noncompliance corrective and preventative action taken; and management reviewed all activities and implemented suggested steps as per

management decision.

Plan Yes

**Complete:** 

Plan 11/30/2010



## Health and Safety: Health and Safety Management System

H&S.5 The health and safety policy shall contain the framework for a comprehensive health and safety management system within which employers' responsibilities and workers' rights and duties, various responsibilities of designated personnel, procedures that enable workers to raise health and safety concerns and procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) are clear and regularly tested and reviewed. (P)

#### **Noncompliance**

**Explanation:** There is no H&S management system in the factory with an assigned H&S Officer.

Plan Of Factory is to assign a H&S Officer for implementation of H&S management system. Action: Policy and procedure shall be developed, setting objectives and targets; allocated

resources; responsibilities and accountabilities; and arranged training and awareness.

All activities shall be documented and monitored.

Deadline 11/30/2010

Date:

Supplier H&S management system will be implanted with an assigned H&S Officer.

CAP:

09/30/2010 Supplier

CAP Date:

Action Action has been taken to assign a H&S Officer. H&S management system has been Taken:

implemented in the factory. Policy and procedure has been developed, setting

objectives and targets; allocated resources; responsibilities and accountabilities; and arranged training and awareness. Communicated H&S issues to employees; controlled operations; emergency preparedness and response procedure developed; all activities documented; and monitoring noncompliance corrective and preventative action taken.

Plan Yes

**Complete:** 

Plan 11/30/2010



## 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: With respect to safe evacuation, the main issues include: 1) lack of a second exit in the basement warehouse; 2) no fire alarm access points in basement and ground floor; 3) blocked fire hydrant points on each floor; 4) no aisle markings; 5) narrow and blocked aisles with materials; and 6) flammable materials very close to electrical panels. The main factory exit to escape from the factory is a roller-iron door, which is kept closed most of times of the day. According to document review, fire drill and fire evacuation trainings are conducted in the factory. However, 33% of workers interviewed confirmed that no fire drills were made in the facility.

Plan Of Action:

Factory is to make a second exit in the warehouse basement. Also, fire alarm access points will be installed in the basement and ground floor; all fire hydrant points and aisle markings will be free from obstacles and flammable materials will be removed from or near electrical panels. Fire drills and fire evacuation trainings will be conducted on a regular basis.

Deadline

11/30/2010

Date:

Action

Taken:

A second exit in the warehouse basement has been opened. Fire alarm access points and fire hydrants have been installed at the basement floor; for aisles, equipment has been ensured to be free from all obstacles at all times; flammable items have been removed from the electrical panel board; and fire evacuation drills and trainings have

been continued on a regular basis.

Plan No

Complete:

Plan 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: Auditors observed that there are empty first aid boxes on the production floors. There is

1 nurse in the medical room. Medical room was equipped with beds, BP machine,

stethoscope, but there was no other equipment, due to lack of resources.

Plan Of A sufficient number of first aid boxes shall installed in the factory with required first aid

Action: kits and a sufficient number of workers will be trained on first aid techniques.

Furthermore, Ash City suggested 1) the preparation of the safety and medical

equipment checklist by paramedics and 2) regular inspections ensuring that all boxes

are fully equipped and not past the expiry dates.

Deadline

Date:

11/30/2010

Supplier A sufficient number of first aid boxes shall be provided in the factory with required first CAP:

aid kits and a sufficient number of workers shall be trained on first aid techniques.

Supplier 09/30/2010

CAP Date:

Taken:

Action A sufficient number of first aid boxes has been provided in all factory sections with

> required first aid kits. A sufficient number of workers have been trained on first aid techniques; all required equipment has been provided to the medical room. The nurse

checks all the first aid boxes on a weekly basis and keeps a record on what is supposed to be in the boxes within the first aid kit. Action has been verified by Ash City's external

monitoring team by plant tour and worker interviews.

Plan Yes

**Complete:** 

Plan 11/30/2010

Complete



## **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:** There weren't any personal protective equipment (PPE) available for workers. During the

physical investigation (walkthrough), no needle guards or eye guards were observed.

**Plan Of** Factory is to provide needle guards and eye guards to machines.

Action:

**Deadline** 11/30/2010

Date:

**Supplier** Needle guards and eye guards will be provided on the machines.

CAP:

**Supplier** 09/30/2010

**CAP Date:** 

**Action** Needle guards and eye guards have been installed on all machines. Action has been

**Taken:** verified by Ash City's external monitoring team by first hand inspection of plant during a

tour.

Plan Yes

Complete:

Plan 11/30/2010



#### Health and Safety: Chemical Management for Pregnant Women and Young Workers

H&S.15 To prevent unsafe exposure to hazardous chemicals, specific appropriate accommodations shall be made for pregnant women and workers under the age of 18 as required by applicable laws or the provisions of the FLA Code in a manner that does not unreasonably disadvantage workers. (S)

#### Noncompliance

Explanation: There were women 6-7 months pregnant in the facility; they were not given the

opportunity to work lighter jobs. The women were found working on sewing machines.

**Plan Of** Factory is to develop a written policy on the protection of young and pregnant workers

**Action:** and pregnant women workers shall be given the opportunity to work lighter jobs.

**Deadline** 11/30/2010

Date:

**Supplier** Pregnant women workers will be given the opportunity to work lighter jobs.

CAP:

**Supplier** 09/30/2010

**CAP Date:** 

Action Action has been taken to give pregnant women workers the opportunity to work lighter

**Taken:** jobs. Action has been verified by Ash City's external monitoring team by plant tour and

worker interviews.

Plan Yes

**Complete:** 

Plan 11/30/2010

Complete



## 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:** Ventilation in the facility was insufficient. There were no provisions for exhaust fans; all

windows were found closed. There were no proper lighting provisions available in the

basement.

Plan Of Factory is to arrange temperature and air quality testing and will install sufficient

**Action:** exhaust fans based on testing results; all windows shall be opened during working hours.

Proper lighting provision shall be available in the basement.

Deadline

Date:

11/30/2010

Supplier CAP:

The factory shall arrange temperature and air quality testing and will install exhaust fans based on testing results. However, for the time being, all windows will be kept opened

during working hours and proper lighting will be provided to the basement.

Supplier

09/30/2010

CAP Date:

Action Action has been taken to contact the competent authority for temperature and air quality testing. Factory will arrange the testing as early as possible. Meanwhile, action

has been taken to keep the windows open during working hours; factory installed a thermometer on the production floors for monitoring daily temperature; and sufficient light has been provided to the basement. The plan is partially completed. Action has

been verified by Ash City's external monitoring team through plant tour and

management and worker interviews.

Plan No

**Complete:** 

Plan

Complete



## **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: There is a medical center established in the facility with a full-time nurse. The medical

room was equipped with beds, BP machine, stethoscope, but no other equipment, due to lack of resources. 36% of workers interacted with reported that they are not satisfied with the factory's medical facility. First aid services are not provided sufficiently, and the nurse does not deal with workers' health concerns effectively. She is found sleeping

during work hours.

**Plan Of**Factory is to provide sufficient first aid services to workers and the nurse shall deal with **Action:**workers' health concerns effectively. A list of medical items are will be kept according to

workers' health concerns effectively. A list of medical items are will be kept according to the factory rules, 1979. Any missing items from first aid kits on the manufacturing floor shall be replenished from the items available in the medical room. The nurse will be monitored by management and compliance officer; her activities will be evaluated on a

regular basis.

**Deadline** 11/30/2010

Date:

**Supplier** Sufficient first aid services shall be provided to workers. The nurse shall deal with

**CAP:** workers' health concerns effectively.

**Supplier** 09/30/2010

CAP Date:

Action Sufficient first aid services have been provided to workers and the nurse has been Taken: effectively dealing with workers' health concerns. Factory has an agreement with the

effectively dealing with workers' health concerns. Factory has an agreement with the nearby hospital for providing emergency medical services to workers. A list of medical items are kept according to the factory rules, 1979. The list contains 17 medical items. Any missing items from first aid kits on the manufacturing floor are replenished from the

items available in the medical room. Nurse is monitored by management and

compliance officer; her activities are evaluated on a regular basis. Action verified by Ash

City external monitoring team by plant tour, worker interviews, and records.



Plan Yes

**Complete:** 

Plan 11/30/2010

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: No kitchen or canteen facility available in facility. Toilets not maintained or stocked with

hand soap and toilet paper. Medical facility not stocked with all required equipment.

**Plan Of** Factory is to provide canteen facilities for workers; provide soap and towels to toilets;

**Action:** and establish a medical facility with a doctor and a nurse.

**Deadline** 11/30/2010

Date:

**Supplier** Canteen facility could not be provided to workers due to lack of space. Soap and towels

**CAP:** shall be supplied to toilets and a doctor and nurse hired for a medical facility.

**Supplier** 09/30/2010

**CAP Date:** 

Action Action has been taken for a supply of soap and towels to be in the toilets. A medical

**Taken:** facility has been established with a doctor and nurse on staff.

Plan Yes

**Complete:** 

Plan 11/30/2010



## Hours of Work: Overtime/Reduced Mandated Overtime

HOW.8 The employer shall demonstrate a commitment to reduce overtime and to enact a voluntary overtime system, including for overtime mandated to meet extraordinary business circumstances. (P)

### **Noncompliance**

**Explanation:** 36% of workers reported that 2 hours of overtime is mandatory for them. Workers

confirmed that they work for more than 2 hours of overtime. 4% of workers interviewed reported night shifts as well. However, payroll records capture only 2 hours of overtime. 4% of workers reported that if they do not work overtime, then their attendance is

marked as "Absent."

Plan Of Action:

Factory is to reduce overtime and to avoid mandatory overtime work. Ash City has suggested the development of a mid-term and long-term plan, where root causes for persistent overtime are identified; bottlenecks that lead to night shifts are determined; production planning is reviewed; and necessary actions for reducing overtime hours are planned and implemented.

Deadline

11/30/2010

Date:

Supplier

Policy of voluntary overtime shall be introduced and implemented.

CAP:

**Supplier** 

09/30/2010

**CAP Date:** 

Action Voluntary overtime policy has been introduced and consent of workers has been taken Taken:

before doing overtime. Action has been verified by Ash City's external monitoring team

through document review (policy, overtime slips) and worker interviews.

Plan

Yes

Complete:

Plan

11/30/2010

Complete