

# Workplace Conditions Assessment Report

Measured Results — Improved Performance



## MODERN NEEDLE CRAFT LIMITED

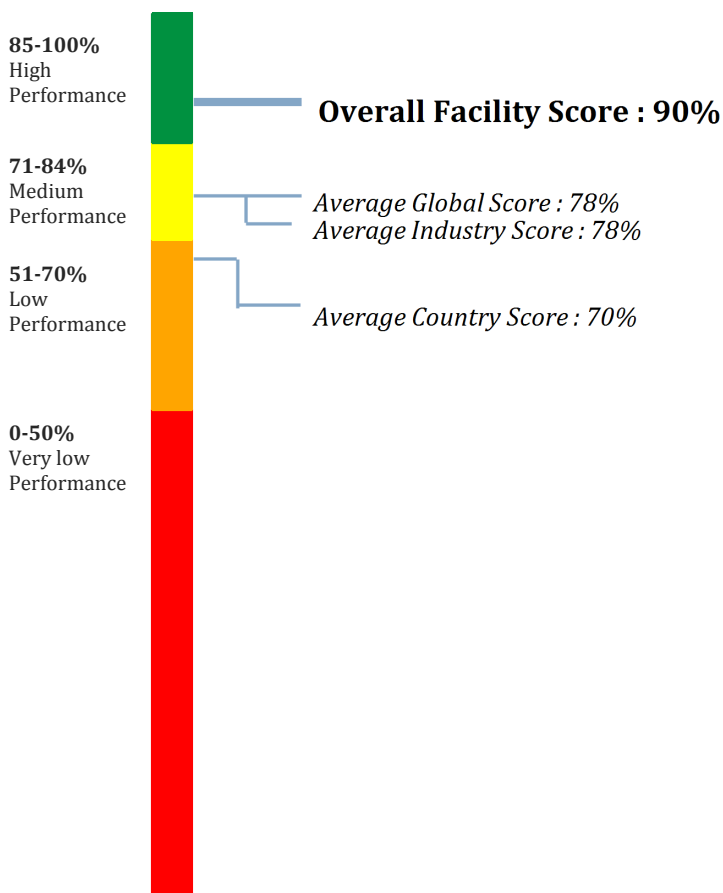
### GENERAL INFORMATION

Overall Facility Score : **90%**

Report No :	F_IAR_80483	City :	Gazipur, Bangladesh
Audit Date :	Jul 23, 2017	Country :	Bangladesh
Last Audit :	Jun 18, 2016 (91%)	Auditors :	Primary: Abdullah Muktadir
Assessment Stage :	Annual		Secondary: None
Schedule Type :	Announced	Service Provider:	Intertek

### WORKPLACE PERFORMANCE INDEX AND SUMMARY

Participating facilities: 25593



Assessment area	Score results	Number of non-compliances by rating				
		Zero Tolerance	Major	Moderate	Minor	Notscored
<b>Overall</b>	<b>90%</b>	-	-	4	2	-
Labor	<b>100%</b>	-	-	-	-	-
Wages & Hours	<b>100%</b>	-	-	-	-	-
Health & Safety	<b>79%</b>	-	-	4	-	-
Management Systems	<b>93%</b>	-	-	-	2	-
Environment	<b>100%</b>	-	-	-	-	-

## A. FACILITY PROFILE

### A1. FACILITY INFORMATION

<b>Facility Name:</b>	Modern Needle Craft Limited	<b>Facility Legal Status:</b>	Privately owned
<b>Facility Legal Name:</b>	Modern Needle Craft Limited	<b>Year facility began operations:</b>	2014
<b>Audit Location:</b>	B-52, BSCIC Industrial Area, Tongi,	<b>Located in special economic zone:</b>	No
<b>City:</b>	Gazipur, Bangladesh	<b>Person responsible for overall social compliance issues:</b>	Mr. Saiful Islam, Sr. Executive - Admin & Compliance
<b>Country:</b>	Bangladesh	<b>Valid certificate for social compliance certification program:</b>	None
<b>Contact Name:</b>	Mohammed Irfan Masha	<b>Vendor Name:</b>	NAFA APPARELS LTD.
<b>Contact Title:</b>	DGM - Admin & HR	<b>Security systems in place:</b>	<i>Yes The premises security and the guards are posted at entrance and back side of the premises.</i>
<b>Industry:</b>	Apparel		

**Building Description:** There is no other facility located in the facility premise except the audited facility. The facility premise consists of four (04) pre-fabricated sheds and one (01) RCC building made of typical building materials, such as: cement, concrete, steel and tin within the premise and details are as follows:

1. One Storied Pre-fabricated Shed:  
Ground Floor: Embroidery Production Floor, Eye Wash Station, Office, Sub-Store.
2. Two Storied Steel Shed:  
Ground Floor: Security Room, Main Electric Distribution Board.  
1st Floor: Office Room, Conference Room, Doctor's Room, Canteen, Dining
3. One Storied Steel Shed (Abandoned)  
Ground Floor: Existing Metalex (Abandoned), Workshop (Abandoned), Fire Hydrant Room
4. Three Storied RCC Building (Abandoned)  
Ground Floor: vacant and abandoned  
1st Floor : vacant and abandoned  
2nd Floor: vacant and abandoned  
Roof Top: vacant and abandoned
5. One Storied Pre-fabricated Shed  
Ground Floor: Generator Room,

The facility buildings constructed for industrial purpose approved by Bangladesh Small and Cottage Industries Corporation (BSCIC). All the buildings and sheds are made by the land owner. The facility does not provide any dormitories.

**Special building type:** NA

## A2. PRODUCTION INFORMATION

<b>Products manufactured/ Services provided:</b>	Embroidery	<b>Time record system(s) used:</b>	Punch card system
<b>Production process/ Service elements:</b>	Embroidery	<b>Chemicals or hazardous materials on-site:</b>	Yes <i>Super-99 (Adhesive Spray), Diesel</i>
<b>Production capacity a week:</b>	150000 pcs	<b>Current production/ Services for client:</b>	No
<b>Total number of machines:</b>	15 set		
<b>Main machine types:</b>	Embroidery machine, Manual embroidery machine, Generator.		
<b>Shifts and Operating hours:</b>	Facility has 2 shifts for working 8:00 am to 5:00 pm and 8:00 pm to 5:00 am with 1 hour lunch break from 1:00 pm to 2:00 pm (day shift) and 1 hour dinner break from 1:00 am to 2:00 am (night shift) . The facility runs for every seven days of a week. No definite weekly holiday but employees are enjoying 1 day weekly holiday by rotation.		

## A3. EMPLOYEE INFORMATION

<b>Range of total number of employees at the facility:</b>	101-500 employees	<b>Female Employees:</b>	2
<b>Union name:</b>	None	<b>Male Employees:</b>	130
<b>Employs juvenile workers:</b>	None	<b>Mgmt Employees:</b>	29
<b>Hires through employment agent:</b>	<i>No Facility did not hire any employee through employment agent.</i>	<b>Production (Non- Management) Employees:</b>	103
<b>Employee nationalities/ provinces:</b>	All are Bangladeshi.	<b>Local Employees:</b>	132
		<b>Foreign/Migrant Employees:</b>	0
		<b>Languages spoken in the facility:</b>	Bengali as local language and English as official language.
		<b>Management and employees speak same language :</b>	Yes

## A4. SUBCONTRACTOR INFORMATION

No subcontractor information given

## A5. GENERAL INFORMATION

The facility management showed a positive attitude to this audit. Facility management was highly cooperative and agreed with the issues raised during the audit. Facility management allowed conducting employee's interview and given permission for taking pictures of the facility process and buildings. During the facility tour it was also observed that the employees were also positive towards their workplace and seemed happy with the working conditions of this facility. No suspicious activity was noted. The facility does not use sub-contacting to any of their production processes. The facility has a good practice to provide attendance bonus to all its employees where applicable. Also they have a practice to arrange annual picnic for all the employees including production workers. Recently the facility has taken a new initiative to arrange "Free Friday Clinic" once in every two months, where the family of the workers can take medical facility for free.

### Emergency Preparedness Summary

Based on facility tour, documents review and management interview, overall emergency preparedness of the facility found below:

1. At the time of facility visit all the doors were found open.
2. IPS supported battery backup light were found in the each exit point, stair and production floor.
3. Evacuation plan, emergency numbers were found posted in facility production floor and security post area.
4. Facility has only one production floor which has 3 fire hose pipe and all of them found functional.
5. Fire alarm switch were found beside the exit of the each floor.
6. Assembly point was found besides the building with sufficient spacious to cover all the employees and all exits lead to assembly area.
7. Facility has a health and safety committee includes 06 members who sits monthly to discuss the safety issues of the facility including emergency preparedness system of the facility (Last held on June 13, 2017).
8. Facility conducts fire dill in every month. Last fire drill on day shift was taken place on July 17, 2017. Participants were 60 and Evacuation time: 1:05 minutes and night shift fire drill was taken place on June 22, 2017. Participants were 51 and Evacuation time: 0:55 minutes.
9. Mr. Sujit Sammader is acting as fire safety officer. All firefighting equipment e.g. hose pipe, hose reel is checked monthly by Mr. Sujit Sammader (Fire Safety Officer). Facility also has 2 electricians who inspected the electrical wiring, DB board, bus bar on monthly basis. Last check date is July 06, 2017.
10. Facility has 40 fire fighters. Among them 40 employees trained from Fire Service and Civil Defense Authority (FSCDA-Government organization). Last fire training conducted on July 09, 2017 and 40 employees was participated in that training.
11. Facility has different type of firefighting equipment. Such as 42 fire extinguishers (36 ABC type, 05 CO2 type and 01 foam type), 03 fire hose pipe and hose reel, 05 fire alarm, 05 fire alarm switch, 25 gas mask, 08 helmet, 04 lock cutter, 04 stretcher, 01 fire axe, 06 fire blanket, 04 fire bitter, 04 fire hook, 01 gong bell, 08 water bucket, 31 automatic smoke detector with control panel (though, during the audit day the system was found inactive) and 20 manual smoke detectors.

## A6. AUDIT PROCESS

### *Audit pay period provided for review*

<b>Records</b>	<b>From</b>	<b>To</b>
12 Months Payroll	01-07-2016	30-06-2017
12 Months Attendance	01-07-2016	30-06-2017
<b>Special Comments</b>	Not applicable	

### *Employee interview sampling*

Individual	10
Group	0
<b>Total interviewed</b>	<b>10</b>

### *Payroll and attendance records sampling*

<b>Period</b>	<b>From</b>	<b>To</b>	<b>Peak Season</b>	<b>Records Reviewed</b>
Current Period	01-06-2017	30-06-2017	No	10
Period 1	01-03-2017	31-03-2017	No	3
Period 2	01-12-2016	31-12-2016	No	3
<b>Total</b>				<b>16</b>

### *Other records reviewed*

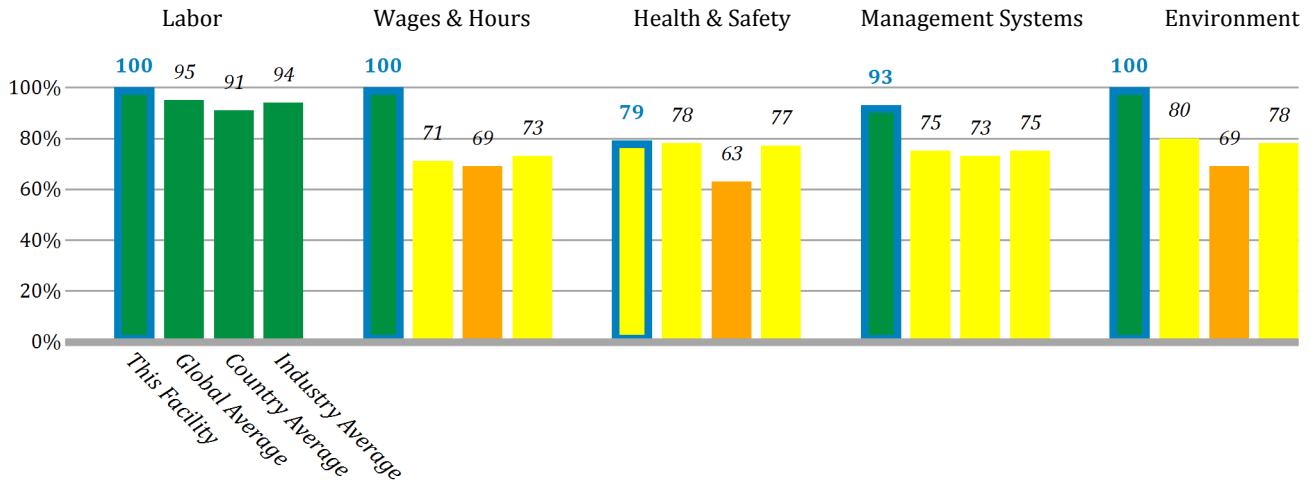
Personnel records  
Production records  
Employment contracts  
Social insurance documentation  
Infirmary logs  
Other : All policy

Security log book  
Non-Production records  
Legal Permits  
Employee leave register  
Machine maintenance records

## B. KEY PERFORMANCE METRICS

### B1. COMPARISON BENCHMARK

Current performance — Global average, Bangladesh average, Apparel average

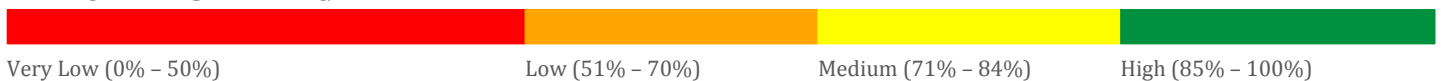


### B2. PERFORMANCE TREND ANALYSIS

Section Name	Current (23-Jul-2017)	Last (Not Applicable)	First (18-Jun-2016)	Change (Current-Last)	Change (Current-First)
Labor	100	Not Applicable	100	Not Applicable	0 % <span style="color: blue;">■</span>
Wages & Hours	100	Not Applicable	100	Not Applicable	0 % <span style="color: blue;">■</span>
Health & Safety	79	Not Applicable	84	Not Applicable	-5 % <span style="color: red;">▼</span>
Management Systems	93	Not Applicable	89	Not Applicable	4 % <span style="color: green;">▲</span>
Environment	100	Not Applicable	100	Not Applicable	0 % <span style="color: blue;">■</span>
<b>Overall Score</b>	<b>90</b>	<b>Not Applicable</b>	<b>91</b>	<b>Not Applicable</b>	<b>-1 %</b> <span style="color: red;">▼</span>

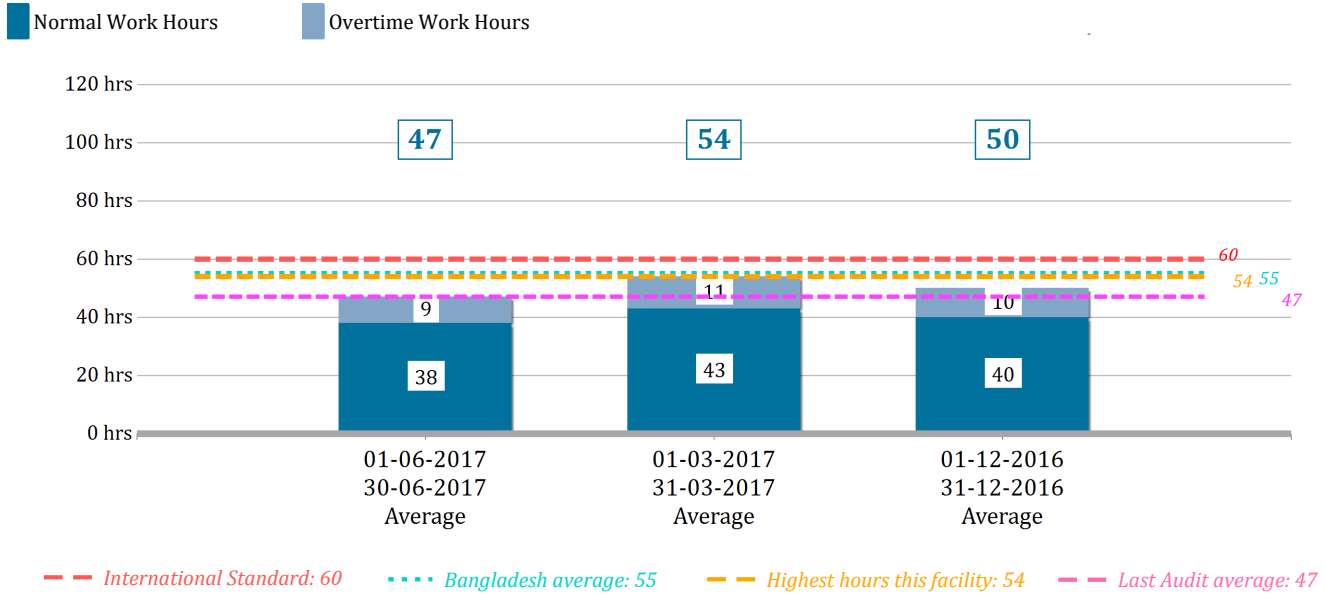
▲ Advancers   ■ Constant   ▼ Decliner

#### PERFORMANCE RATING

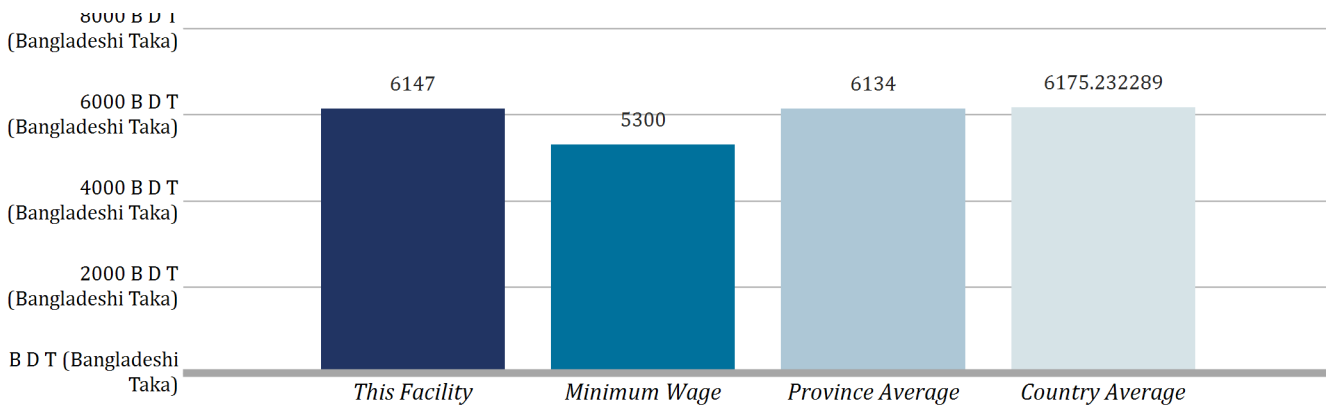


### B3. WORKING HOURS AND WAGES

#### Average total hours worked weekly



#### Average wages paid in local currency (B D T (Bangladeshi Taka))



**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. Based on document review (employee's salary sheet, time card, policy) review, employees and management interview that, facility has working hour policy and social benefits policy where facility mentioned working hours should be maintain as per local law. Based on employee's time card review and employees & management interview it was noted that, working hour's in randomly selected 3 months did not cross the base law (48 hours regular + 12 hours overtime in a week). Note that there exists a circular regarding waiver of working hours. As per Circular dated 09 April, 2017 from Bangladesh Labor and Employment Ministry; Facility can do 4 hours overtime in a day and 24 hours overtime in a week with the consent of employees which is valid till 16 October 2017.
2. Facility had ensured 1 day rest in a week during review period.
3. Facility provided 11 days festival leave in a year with full payment.
4. Facility maintained all employee's in & out record through punch card.
5. All employees were getting their wages in a timely manner within 7 working days after completion of the month.
6. Based on document review (salary sheet, employee appointment letter), facility ensured minimum wages to all employees as per their grade for normal working.
7. Premium rate (200% on basic wage) or double rate provided to all employees for overtime hours.
8. Facility has provision to provide service benefits for resign employees. Facility deducted only for unauthorized absent from their basic salary and revenue stamp BDT 10.
9. Facility provides 400 Attendance bonuses to the employees as per company policy.

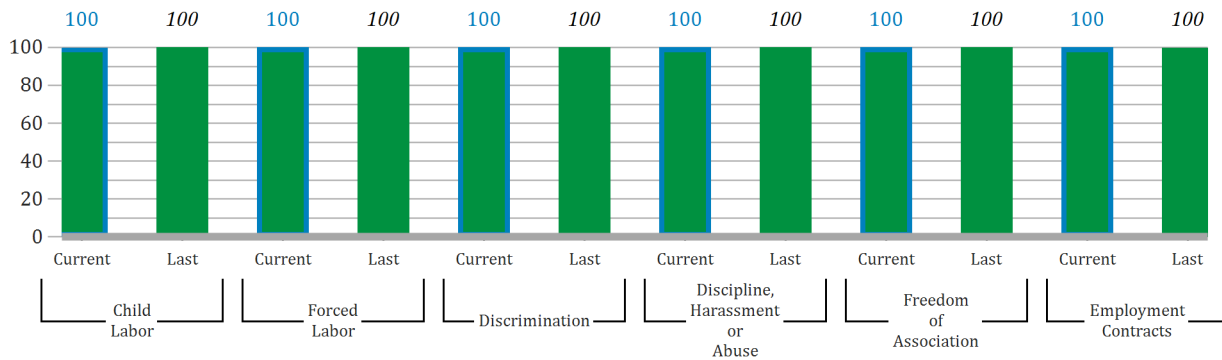


## C. PERFORMANCE DETAILS

Current (23-Jul-2017) Last (18-Jun-2016)

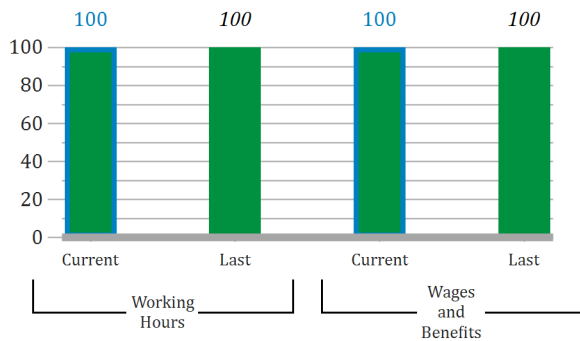
### C1. Labor

100%

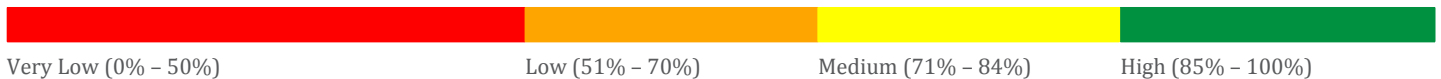


### C2. Wages & Hours

100%

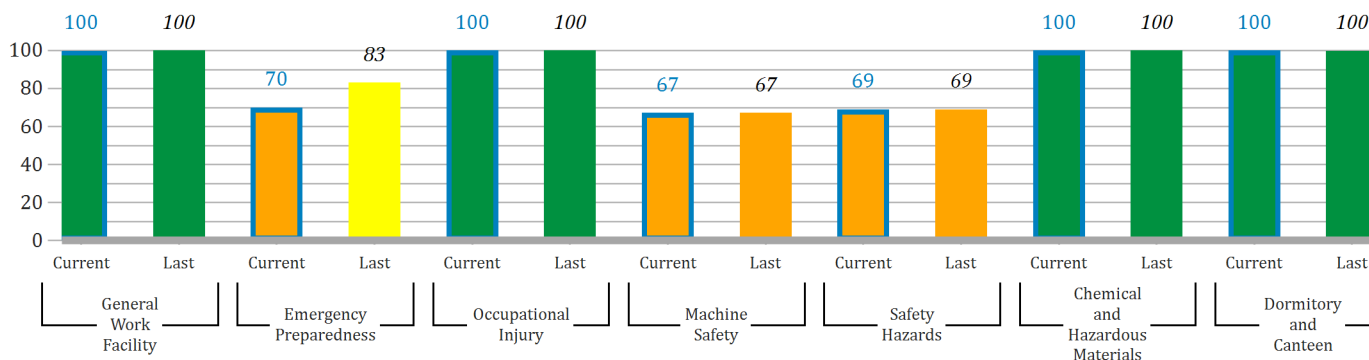


### PERFORMANCE RATING



### C3. Health & Safety

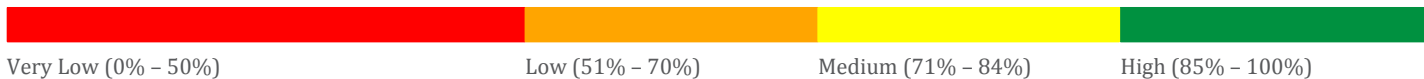
79%



#### Sub Section: Emergency Preparedness

Status	Findings	% Global freq of compliance
Moderate	<p><b>180.02</b> : Smoke detector is not properly installed throughtout the facility and/ or not regularly maintained.</p> <p><b>Auditor's comment</b> It was noted from facility tour and fire license review that facility did not install interconnected addressable smoke detection all over the facility. However, it was noted that facility has interconnected manual fire alarm system.</p> <p><b>Bangladesh National Building Code 2006, Chapter 4, 4.4. Bangladesh National Building Code 2006, Part:4, Section D 17.1, 5.8.2</b></p> <p>The installation of automatic fire and smoke detection system shall be a necessity when the size, arrangement and occupancy of a building become such that a fire itself can not provide adequate warning to its occupants. All buildings with a height of more than 20 m shall be equipped with manually operated electrical fire alarm system and automatic fire alarm system. a) Area up to 750 square meters shall be installed with automatic fire alarm system along with portable fire extinguishers. b) Area above 750 square meters shall be fitted with automatic sprinkler and/or automatic fire alarm system along with portable fire extinguishers.</p>	79%
Moderate	<p><b>196.00</b> : Stairways and emergency evacuation exits are not equipped with railing to protect employees from falling</p> <p><b>Auditor's comment</b> It was noted from the facility tour that the secondary stair of the two storied steel building (No.2) is very risky. Anyone may fell down using this stair. Note that worker dining and medical room is located at the 1st floor of this building. Additionally, it was noted that the stair angle was around 70 degree. Exit of the doctor's room opened to the face of stair following a passage of 4-5 feet. Anyone coming out from the doctor's room may stumble there unconsciously.</p> <p><b>Bangladesh Labor Rules 2015, Section – 54(4)</b></p> <p>Each staircase to be used for coming out in case of fire should be with durable hand rail and the said staircase and its rail will be made with non-conducting and fire-resistant materials and the staircase will be rough; (5) If such staircase is made after these rules come into effect, hand rails should be attached to both sides. (6) No staircase can't be constructed at the angular distance of more than 450 from the surface. (7) No staircase of 6-storied building won't be wide less than 1.15 meter and the staircase of the building more than six stories won't be less than 2.00 meter and in case of multi-storied building, the provisions of Bangladesh National Building Code will be applicable for building without sprinkler and with sprinkler (9) There will be proper ventilation and lighting in the staircase so that the staircase won't be dark and the door of the garret can't be closed or locked during the working hours.</p>	97%

#### PERFORMANCE RATING



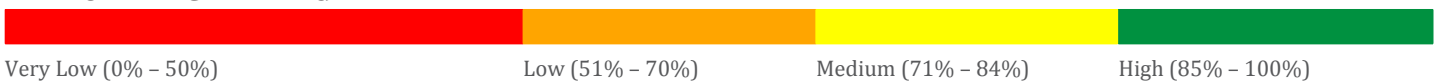
**Sub Section: Machine Safety**

Status	Findings	% Global freq of compliance
● <b>Corrected</b>	<p><b>223.00</b> : <i>Previous Non-Compliance</i> : Points of operation and other potentially dangerous parts are not operated with proper machine safeguards</p> <p><b>Auditor's comment</b> Based on facility tour it was found that dangerous parts of machine are operated with proper machine safe guards.</p>	84%
● <b>Moderate</b>	<p><b>226.00</b> : The facility does not monitor the employees to ensure personal protective equipment (PPE) required to control machine safety hazards is correctly used</p> <p><b>Auditor's comment</b> It was noted from facility tour that around 10% employees are not using earplugs at main production area of shed 1. Note that the facility has provided them with sufficient earplugs and the management as a practice to arrange regular training to make the employee aware of necessity of using PPE at the workplace.</p> <p><b>In accordance with Bangladesh Labor Rules 2015, Section 67(1-3)</b></p> <p>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 and the training related therewith. In addition, personal safety equipments must be preserved in accordance with Information Form-23.</p>	91%

**Sub Section: Safety Hazards**

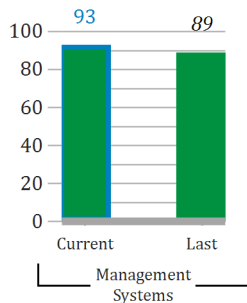
Status	Findings	% Global freq of compliance
● <b>Moderate</b>	<p><b>232.00</b> : Special appliances such as boilers, unfired pressure vessels, and furnaces have not been registered and affixed with a registration certification</p> <p><b>Auditor's comment</b> Based on management interview and documents review it was noted that facility has no generator waiver certificate for one (1) generator capacity 176 Kilo watt (KW) . It is noted that facility has already applied for waiver certificate on 29 October 2015.</p> <p><b>Energy Regulatory Commission Act, 2003 (Act No. 13 of 2003), (Chapter 6),</b>          Licenses shall be issued by the Commission for the following activities: power generation; energy transmission; distribution and marketing of energy; supply of energy; and, storage of energy.</p> <p><b>The Boilers Act, 1923, Section 6,</b>          Prohibition of the use of unregistered or uncertified boiler- Save as otherwise expressly provided in this Act, no owner of a boiler shall use the boiler or permit it to be used— Unless it has been registered in accordance with the provisions of this Act. Unless a certificate or provisional order authorizing the use of the boiler is for the time being in force under this Act.</p>	84%

**PERFORMANCE RATING**



## C4. Management Systems

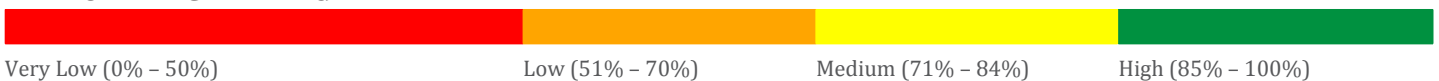
93%



### Sub Section: Management Systems

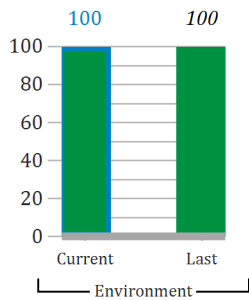
Status	Findings	% Global freq of compliance
● Minor	<p><b>296.06</b> : The facility has comprehensive emergency preparedness processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented</p> <p><b>Auditor's comment</b> 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 all those are not implemented such as Based on facility visit it was noted that facility did not install interconnected addressable smoke detection system.</p>	68%
● Minor	<p><b>296.07</b> : 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</p> <p><b>Auditor's comment</b> 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 safety but all those are not implemented properly such as no generator waiver certificate for one (1) generator capacity 176 Kilo watt (KW) and some employees were not using relevant PPE at production floor.</p>	55%
● Corrected	<p><b>296.08</b> : <i>Previous Non-Compliance</i> : The facility's written manual for processes and procedures includes a machine safety procedure but they are not all being properly implemented</p> <p><b>Auditor's comment</b> The facility has comprehensive employee safety processes and procedures in a written manual that support adherence to social compliance requirements</p>	78%

### PERFORMANCE RATING



## C5. Environment

100%



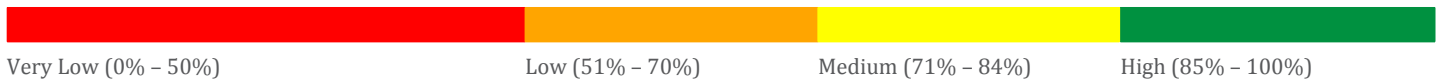
**% Global Frequency of Compliance:** Represents the implementation percentage performance of all suppliers participating in the WCA Community globally for each issue

**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



## 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	49%
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	52%
Total working hours during the period specified by the waiver are within allowable limits under the waiver.	Moderate	57%
The facility provides social security, pensions, healthcare and/ or other insurance to employees as per legal requirement.	Moderate	58%

Challenges: Facility performance ranks in the bottom percentile of the population	Rating	Global Freq. of Compliance%
Stairways and emergency evacuation exits are not equipped with railing to protect employees from falling	Moderate	97%
The facility does not monitor the employees to ensure personal protective equipment (PPE) required to control machine safety hazards is correctly used	Moderate	91%
Special appliances such as boilers, unfired pressure vessels, and furnaces have not been registered and affixed with a registration certification	Moderate	84%
Smoke detector is not properly installed throughout the facility and/ or not regularly maintained.	Moderate	79%
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	68%

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