

Workplace Conditions Assessment Report

Measured Results — Improved Performance



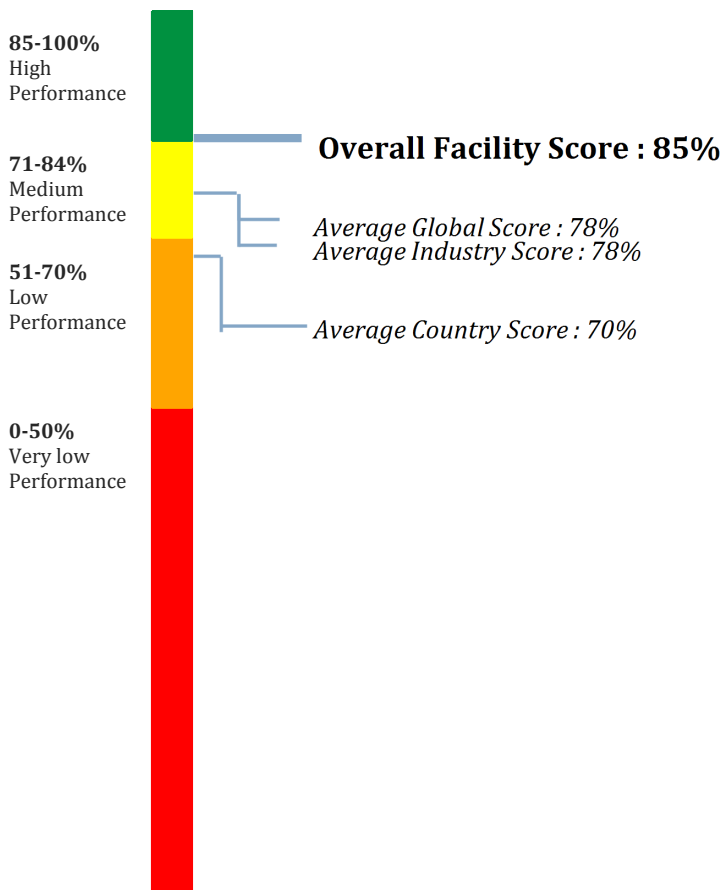
SAFAA SWEATERS LIMITED

GENERAL INFORMATION

Overall Facility Score : **85%**

Report No :	F_IAR_82052	City :	Gazipur
Audit Date :	Jul 16, 2018	Country :	Bangladesh
Last Audit :	Jul 18, 2017 (92%)	Auditors :	<i>Primary:</i> Mohammad Kashem
Assessment Stage :	Annual		<i>Secondary:</i> Wadud Chowdhury, Salina Sultana
Schedule Type :	Announced	Service Provider:	Intertek

WORKPLACE PERFORMANCE INDEX AND SUMMARY Participating facilities: 28527



Assessment area	Score results	Number of non-compliances by rating				
		Zero Tolerance	Major	Moderate	Minor	Notscored
Overall	85%	-	2	2	2	-
Labor	100%	-	-	-	-	-
Wages & Hours	100%	-	-	-	-	-
Health & Safety	78%	-	1	2	-	-
Management Systems	74%	-	1	-	2	-
Environment	100%	-	-	-	-	-
Business Practices	NA	-	-	-	-	-

A. FACILITY PROFILE

A1. FACILITY INFORMATION

Facility Name:	Safaa Sweaters Limited	Facility Legal Status:	Privately owned
Facility Legal Name:	Safaa Sweaters Limited	Year facility began operations:	2013
Audit Location:	Begumpur, Bokran Monipur, Gazipur Sadar, Gazipur	Located in special economic zone:	No
City:	Gazipur	Person responsible for overall social compliance issues:	Mr. Abul Bashar – General Manager (HR, Admin & Compliance)
Country:	Bangladesh	Valid certificate for social compliance certification program:	Renewal audit conducted on 27 & 28 June 2018
Contact Name:	Mr. Abul Bashar	Vendor Name:	Safaa Sweaters Limited
Contact Title:	General Manager (HR, Admin & Compliance)	Security systems in place:	<i>Yes The building has a perimeter wall around the compound. Guards are posted at every entrance and of the premises. There are total 46 security. However all security system have been controlled by CCTV.</i>
Industry:	Apparel		

Building Description: The facility consists 03 (three) RCC structured building. Building descriptions are given below-
 Building-1 (7 storied): - Ground floor: Fabric store, Accessories store, Wastage room, Day care, Medical & Sub-station; 1st floor: Finished carton store, Idle machine room, Leftover and Empty carton room; 2nd floor: Sewing, Finishing, Packing, Accessories sub store, Maintenance room & Office; 3rd floor: Sewing, Finishing, Packing, Accessories sub store, Maintenance room & Office; 4th floor: Sewing, Finishing, Packing, Dining, Canteen, Prayer room & Office; 5th floor: Cutting, Sample, CAD, Lab & Office; 6th floor: Sewing, Finishing, Packing, Accessories sub store, Maintenance room & Office. Rooftop: 100% vacant. Building-2 (single storied): Boiler, Generator, Compressor & Fire command Room. Building-3 (single storied): Security room and Fire command room. The facility buildings are constructed for industrial purpose and were made by the land owner.

Special building type: NA

A2. PRODUCTION INFORMATION

Products manufactured/ Services provided:	All kinds of knit items.	Time record system(s) used:	Swipe Card system
Production process/ Service elements:	Cutting , sewing, finishing, packing.	Chemicals or hazardous materials on-site:	Yes <i>Machine oil, Lubricant, Diesel, and spot lifter.</i>
Production capacity a week:	200000 Pieces	Current production/ Services for client:	Yes
Total number of machines:	918		
Main machine types:	Plain machine, Vertical edge trimmer, 2 needle, Bar tack machine, Flat lock, fusing m/c, snap button, Kansai, Snap attach m/c, Iron machine, Metal detector machine, cutting machine etc.		
Shifts and Operating hours:	The facility has one working shift for all employees start from 8:30 am to 5:30 pm including one-hour lunch break in two shift from 01:00 pm to 2:00 pm and 1:30 PM to 2:30 PM. Weekly work day of the facility is from Saturday to Thursday. Friday is their weekly holiday.		

A3. EMPLOYEE INFORMATION

Range of total number of employees at the facility:	1001-5000 employees	Female Employees:	1398
Union name:	None	Male Employees:	600
Employs juvenile workers:	None	Mgmt Employees:	212
Hires through employment agent:	<i>No Facility did not hire any employee through employment agent.</i>	Production (Non-Management) Employees:	1786
Employee nationalities/ provinces:	All are Bangladeshi.	Local Employees:	1998
		Foreign/Migrant Employees:	0
		Languages spoken in the facility:	Bengali - Mother tongue and English - Official
		Management and employees speak same language :	Yes

A4. SUBCONTRACTOR INFORMATION

No subcontractor information given

A5. GENERAL INFORMATION

This is an annual audit at Safaa Sweaters Limited. The facility is situated at Begumpur, Bokran Monipur, Gazipur Sadar, Gazipur. The facility is located in an area where similar type of some other garment industries was found available. The facility started its operation since December 2013. Land area of the facility is 50,000 square feet and floor area is 1,87,027 square feet. Warehouse area is 26800 square feet. Production processes of the facility are cutting, sewing, finishing and packing. Facility has 03 (three) RCC structured building. Facility has 1998 employees (1398 female and 600 male employees). Non-production employees are 212 and production employees are 1786. Shift details describe in relevant section. Facility has no definite peak season of working. Facility is producing almost same quantity round the year. Facility produces all kind of knit garments items. The production capacity of the facility is 8,00,000 pieces per month. Employees did not appear under pressure by the facility during working time and interview. Employees' wages are calculated on a monthly basis. 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. At the end of the audit, all findings and recommended corrective actions were accepted by the facility management.

Emergency Preparedness Summary

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

1. Mr. Md. Hanzala Rahman plays the role of Fire Safety Officer in the facility. He is the main responsible person to give training to the employees regarding fire safety and follows the facility emergency preparedness.
2. There are 03 main exits or stairs in each floor and 02 or more exit gate in each room of the facility.
3. Facility has assembly point in front of facility building and outside of the building with sufficient space to serve all the employees. All the exits are as per legal requirement.
4. There are sufficient fire alarm call points, evacuation plan installed throughout the main production shed. Safety or awareness posters, no smoking sign, emergency number etc. were also found posted in production floor.
5. Facility has the following fire equipment: 50 CO2 type fire extinguisher, 387 ABC type fire extinguisher, 06 Foam type fire extinguishers, 44 hose pipe, 36 fire alarm switch, PA system 46, lock cutter 18, fire bitter 46, fire hook 49, fire helmet 63, fire shovel 46, Gas mask 102, fire blanket 80, hand gloves 78 pair, stretcher 28, first aid box 22.
6. Emergency lights with IPS & battery support were found installed in production floor and exits.
7. Facility conducts fire drill once in every six month. Last fire drill was conducted on 23.05.2018. Evacuation time taken 03:10 minutes and participants were 1965.
8. All firefighting equipment are mounted in such a way that employees can take the equipment without problems; operational instructions found posted in local language on every fire extinguishers. Fire fighter was identified by yellow color uniform.
9. Facility safety committee consists of 10 members and last safety committee meeting conducted on 12 June 2018.
10. Facility has a fire safety team where 560 employees were listed. Among 560 employees were trained from Fire Service and Civil Defense Authority (FSCDA) regarding fire safety. Last internal training was conducted on 23 May, 2018. Mr. Dilip Kumar Tripura provides or arranges regular firefighting training with fire fighter.
11. Safe electrical installation was observed in production floor. Facility has a system to check all electrical connection, distribution board and sub-station daily basis.
12. Child care is situated at ground floor of the building-1.
13. Generator and boiler are situated at separate building.

A6. AUDIT PROCESS

Audit pay period provided for review

Records	From	To
12 Months Payroll	01-07-2017	30-06-2018
12 Months Attendance	01-07-2017	30-06-2018

Employee interview sampling

Individual	30 employees
Group	2 groups of 5 members
Total interviewed	40 employees

Payroll and attendance records sampling

Period	From	To	Peak Season	Records Reviewed
Current Period	01-06-2018	30-06-2018	No	30
Period 1	01-02-2018	28-02-2018	No	10
Period 2	01-10-2017	31-10-2017	No	10
Total				50

Other records reviewed

Personnel records

Security log book

Non-Production records

Legal Permits

Employee leave register

Health examination records

Other : All training, policies etc.

Machine maintenance records

Production records

Employment contracts

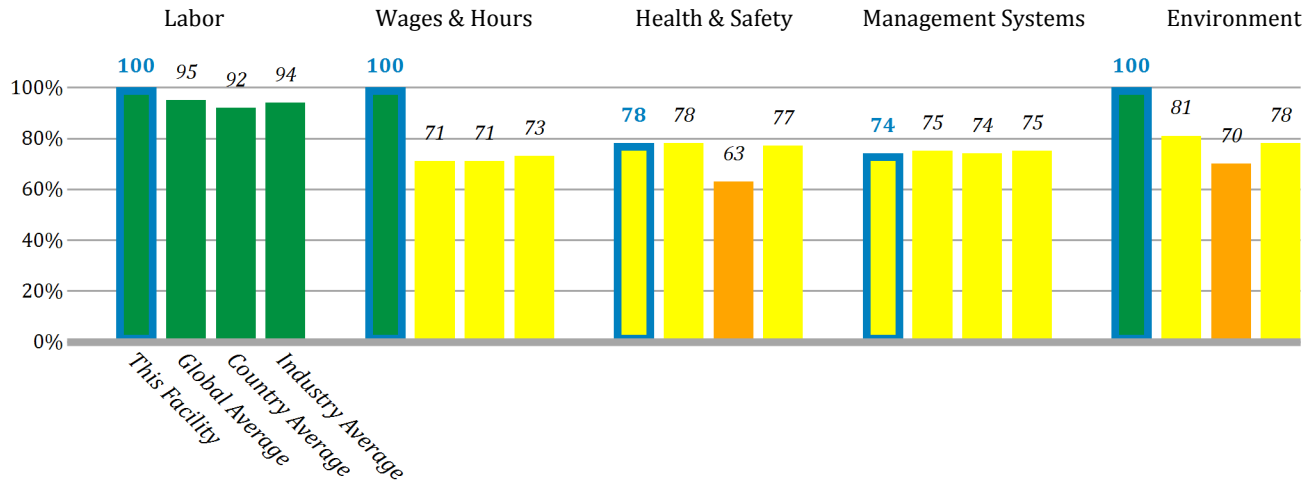
Social insurance documentation

Infirmary logs

B. KEY PERFORMANCE METRICS

B1. COMPARISON BENCHMARK

Current performance — Global average, Bangladesh average, Apparel average

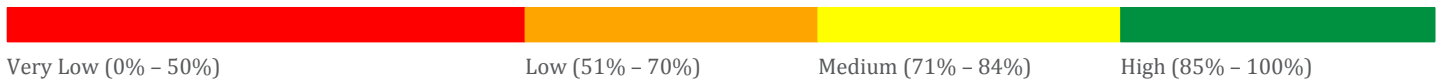


B2. PERFORMANCE TREND ANALYSIS

Section Name	Current (16-Jul-2018)	Last (Not Applicable)	First (18-Jul-2017)	Change (Current-Last)	Change (Current-First)
Labor	100	Not Applicable	100	Not Applicable	0 % ▬
Wages & Hours	100	Not Applicable	100	Not Applicable	0 % ▬
Health & Safety	78	Not Applicable	86	Not Applicable	-9 % ▾
Management Systems	74	Not Applicable	90	Not Applicable	-17 % ▾
Environment	100	Not Applicable	100	Not Applicable	0 % ▬
Overall Score	85	Not Applicable	92	Not Applicable	-7 % ▾

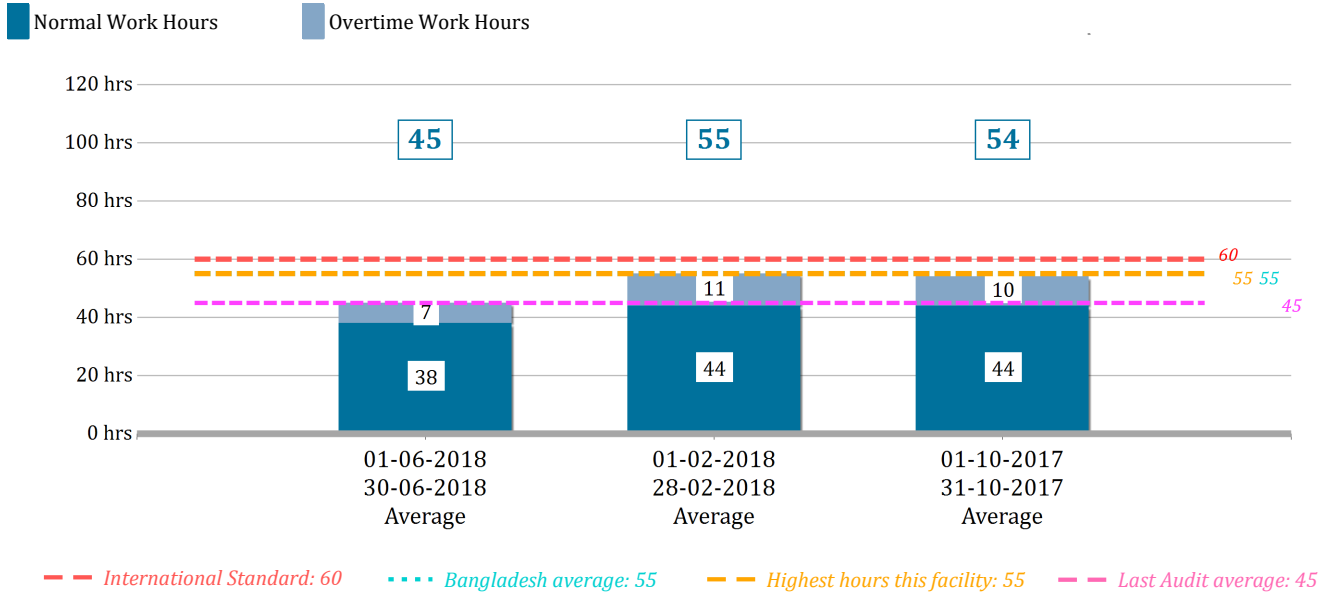
▲ Advancers ▬ Constant ▾ Decliner

PERFORMANCE RATING

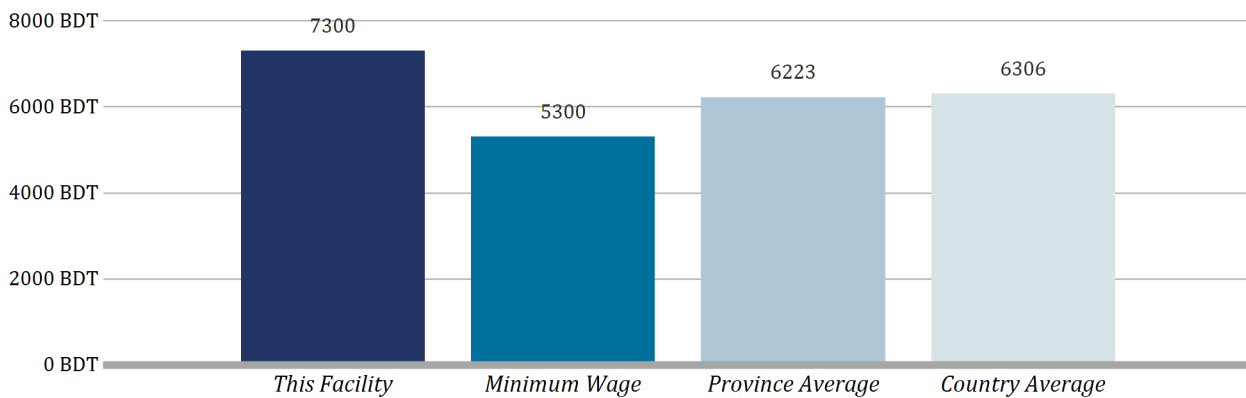


B3. WORKING HOURS AND WAGES

Average total hours worked weekly



Average wages paid in local currency (BDT)



Special wage circumstances: As per Bangladesh Government Gazette 2013, Published on 5 December, 2013

Grade-1

Pattern Master: Basic salary- Tk. 8500, House rent- Tk. 3400, Medical- Tk. 250, Conveyance allowance 200, food allowance 650 Total- Tk. 13000.

Grade-2

Senior Mechanic: Basic salary- Tk. 7000, House rent- Tk. 2800, Medical- Tk. 250, Conveyance allowance 200, food allowance 650, Total- Tk. 10900.

Grade-3

Sample Machinist/ Sr. Operator: 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.

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.

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.

Grade-7

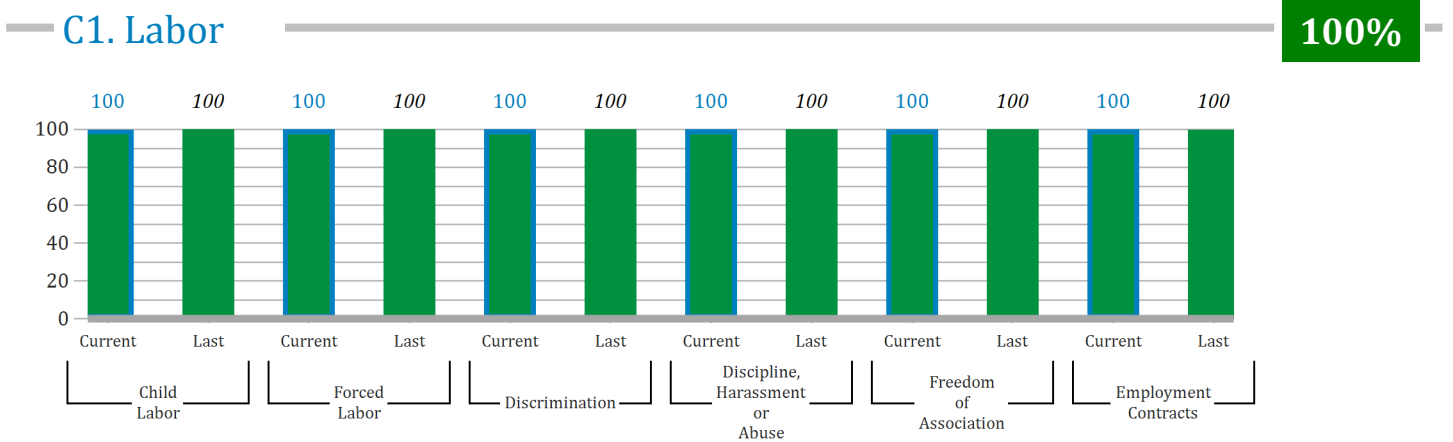
Assistant sewing machine operator: Basic salary- Tk. 3000, House rent- Tk. 1200, Medical- Tk. 250, Conveyance allowance 200, food allowance 650, Total- Tk. 5300.

Wages and hours summary: Based on employee's time card, salary sheet review and employees & management interview, it was noted that:

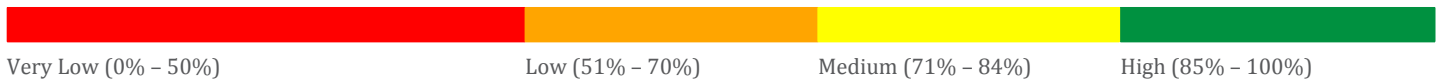
- (1) The facility has one working shift for all employees start from 8:30 am to 5:30 pm including one-hour lunch break in two shift from 1:00 pm to 2:00 pm and 1:30 PM to 2:30 PM.
- (2) The facility remains open Saturday to Thursday and Friday is weekly holiday for all employees.
- (3) Employee's wages are calculated on a monthly basis and facility calculates month from 01 to the 30/31 of the next month.
- (4) All employees are fixed rated employees.
- (5) Facility has working hour policy and social benefits policy. Note, as per Circular 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 2018.
- (6) Average working hour (Regular) were found 37.80, 44.00 and 43.8 hours in the sample three months June 2018 (current month), February 2018 (random month) and October 2017 (random month) respectively. All sample employees were worked less than 60 hours in a week.
- (7) Employees are getting festival bonus.
- (8) All employees are provided pay slip in local languages.
- (9) Facility employees personal file checking, employment letter was found with legal contract.
- (10) Facility provides salary of employees by cash. Last month salary given on 07 July 2017 for the month of June 2018.
- (11) Electronic punch card was used for time recording system.

C. PERFORMANCE DETAILS

Current (16-Jul-2018) Last (18-Jul-2017)



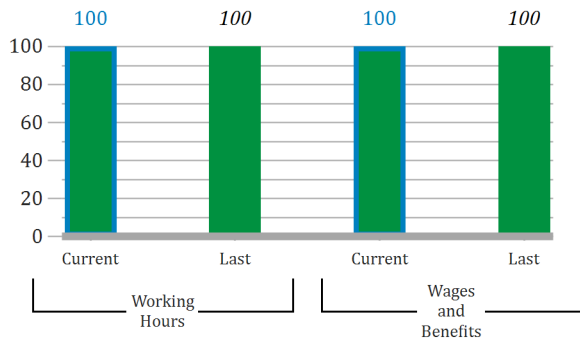
PERFORMANCE RATING





C2. Wages & Hours

100%



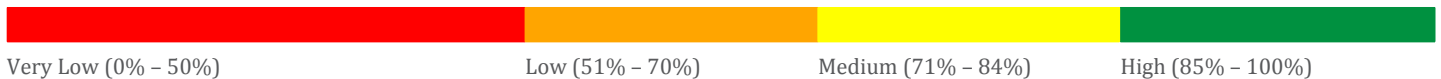
Additional Findings

In accordance with Bangladesh Labor Rules 2015, Rule no. 108 (1 & 5):

The Owner or the Manager shall provide a Leave Book to each worker in accordance with Form-9 & If any institute preserves the record of leaves through computer, the printed copy of the computerized file shall be considered as Leave Book.

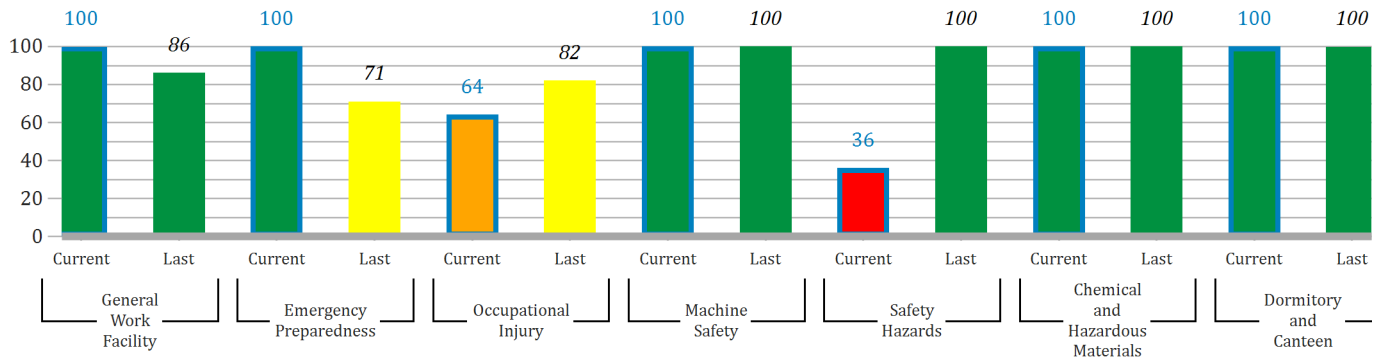
Based on documents review and management interview it was noted that the facility did not provide any leave book or any printed copy of leave book to the employees

PERFORMANCE RATING



C3. Health & Safety

78%



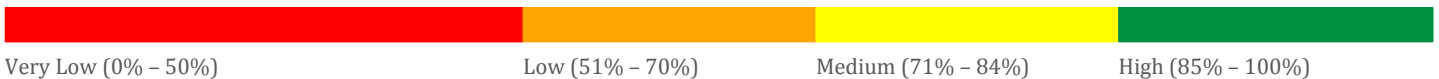
Sub Section: General Work Facility

Status	Findings	% Global freq of compliance
● Corrected	167.00 : Previous Non-Compliance : The facility is not in overall clean and tidy condition with good maintenance (i.e. missing or broken windows, etc) Auditor's comment Based on facility visit and facility management interview it was noted that overall floor conditions and affixed with caution/safety instructions.	99%

Sub Section: Emergency Preparedness

Status	Findings	% Global freq of compliance
● Corrected	180.02 : Previous Non-Compliance : Smoke detector is not properly installed throughtout the facility and/ or not regularly maintained. Auditor's comment Based on facility visit and management interview it was noted that the interconnected smoke detection and alarm system of the facility was functional.	80%
● Corrected	181.02 : Previous Non-Compliance : Fire hose reels in the facility are not adequate for the nature of operations in terms of sufficient quantity, correct type and valid Auditor's comment Based on facility visit and management interview it was noted that the fire hose reel system of the facility was found functional throughout the facility.	91%

PERFORMANCE RATING



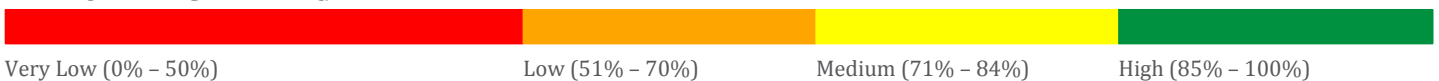
Sub Section: Occupational Injury

Status	Findings	% Global freq of compliance
● Moderate	<p>205.00 : First aid kits are not fully stocked with supplies</p> <p>Auditor's comment Based on randomly checked 05 out of 05 first aid boxes in the production areas of 4th, 5th & 6th floor the facility were lack of following materials: - 12 packs of disinfected cotton, weighing 0.5 ounces each - 12 large sized sterile bandages that are used in case of burns - 24 small sized disinfected bandages -12 packs of edible saline</p> <p>Bangladesh Labor Rules 2015, Section – 76 There shall be additional equipment as per the description of sub-section 2, 3 and 4 mentioned below, basing on the number of workers or employees. Following equipment and supplies shall be preserved in the Primary Aid Box or Almirah of the institute, department, section and floor where the number of employees/workers is more than 10 but less than 50: a) 12 small sized sterile bandages; (b) 6 medium sized packs of disinfected cotton; (c) 6 large sized sterile bandages; (d) 6 large sized sterile bandages that are used in case of burns; (e) 6 packs of disinfected cotton, weighing 0.5 ounces each; (f) 1 bottle of Hibisol or Hexasol, weighing 2 ounces; (g) 1 bottle of rectified Spirit, weighing 2 ounces; (h) Instruments of clogging/stopping bleeding such as Turnicate; (i) 1 roll of adhesive plaster; (j) 1 pair of scissors; k) 1 copy of leaflet regarding primary aid; (l) Analgesic and antacid type of tablets, ointments used for burnt parts, ointments for eyes and antiseptic solution appropriate for surgery and m) 6 packs of edible saline.</p>	95%
● Corrected	<p>210.00 : <i>Previous Non-Compliance</i> : The facility does not have a process in place to provide medical treatment for injured or ill employees</p> <p>Auditor's comment Based on facility visit and facility management interview it was noted that there were sufficient medical equipment found in the treatment/medical room as per rules.</p>	96%

Sub Section: Safety Hazards

Status	Findings	% Global freq of compliance
● Moderate	<p>232.00 : Special appliances such as boilers, unfired pressure vessels, and furnaces have not been registered and affixed with a registration certification</p> <p>Auditor's comment Based on facility's visit, documents review and management interview that facility has two generator with capacity (800+264) KW but facility has no generator waiver certificate/Captive Power Plan (CPP) license for such generators. Noted that, facility has already applied to concern authority on 08 may 2017 for CPP license</p> <p>Energy Regulatory Commission Act, 2003 (Act No. 13 of 2003), (Chapter 6), 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>The Boilers Act, 1923, Section 6, 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



Sub Section: Safety Hazards

Status	Findings	% Global freq of compliance
● Major	<p>240.00 : The facility (including construction projects) does not have all of the building permits and/or fire safety permits as per the legal requirements</p> <p>Auditor's comment Based on facility's visit, documents review and management interview that the Fire License of the audited facility has expired on 30 June 2018 and some extension area of Generator, Boiler, Compressor Security room and fire control room was not included on existing Fire license. Noted that, facility has already applied on 04 June 2018 by including all areas.</p> <p>In accordance with Bangladesh Labor Rules 2015, Section-53(2) After these rules come into effect, if any factory building or factory is set up in any building, the certificate should be taken from the construction firm hereby that the building has been constructed as per the latest policy issued by the government in case of Bangladesh Building Code or appropriate cases.</p>	74%

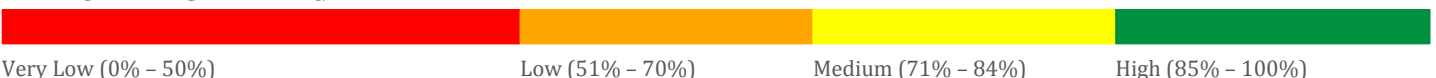
Additional Findings

In accordance with Bangladesh Labor Rules 2015, 55 (11)
 The members of fire fighting 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) Fire fighting 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.

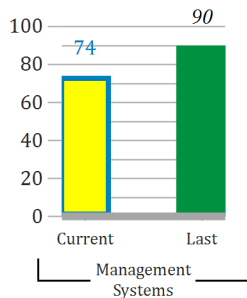
Based on facility visit and management interview that the identification dress of the first aider not given in prescribed format given by rules.

PERFORMANCE RATING



C4. Management Systems

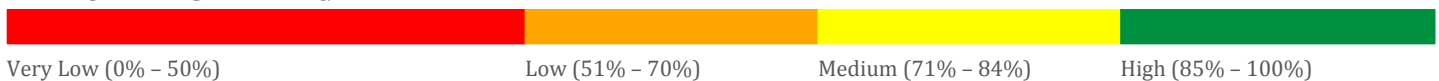
74%



Sub Section: Management Systems

Status	Findings	% Global freq of compliance
● Major	<p>291.00 : The facility does not have a valid business license/ registration/ permit to operate</p> <p>Auditor's comment Based on facility's visit, documents review and management interview that the Trade License of the audited facility has expired on 30 June 2018.</p> <p>As per Schedule- 7 of labor rules 2015; Rule 7(2) (i), 10(3), 11(2), 355(1) and 356(3) Factory, Industrial Establishment, Commercial Institution, Commercial Bank and Insurance Company, Shop and Contracting Establishment License Fee and License Renewal Fee 1. for Factory: Category Maximum Number of Workers or Employees Employable in Any Day of the Year License Fee (Taka) License Renewal Fee (Taka)</p>	96%
● Minor	<p>296.04 : The facility has comprehensive working hour and wages management processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented</p> <p>Auditor's comment 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 working hour and wages procedure but they are not all being properly implemented did not provide any leave book or any printed copy of leave book to the employees.</p>	50%
● Corrected	<p>296.05 : <i>Previous Non-Compliance</i> : The facility has comprehensive processes and procedures in the area of general facility, dormitory (if any) and/ or canteen (if any) management (e.g. cleanliness, ventilation, noise, lighting, toilets) in written manual that support adherence to social compliance requirement but they are not all being properly implemented.</p> <p>Auditor's comment 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 general welfare of the facility procedure</p>	75%
● Corrected	<p>296.06 : <i>Previous Non-Compliance</i> : 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>Auditor's comment 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</p>	65%

PERFORMANCE RATING

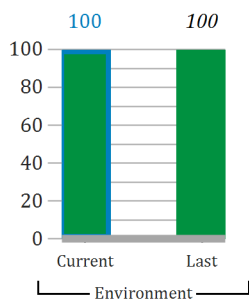


Sub Section: Management Systems

Status	Findings	% Global freq of compliance
● Minor	<p>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</p> <p>Auditor's comment 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 facility randomly checked first aid boxes were found insufficient first aid kits, , facility has no generator waiver certificate/Captive Power Plan (CPP) license for 2 generators and Fire License of the audited facility has expired on 30 June 2018 and some extension area of Generator, Boiler, Compressor Security room and fire control room was not included on existing Fire license and the identification dress of the first aider not given in prescribed format given by rules.</p>	53%

C5. Environment

100%



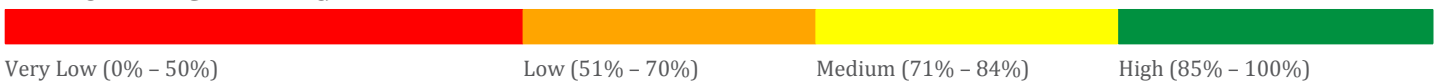
% Global Frequency of Compliance: Represents the implementation percentage performance of all suppliers participating in the WCA Community globally for each issue

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	48%
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 have a valid business license/ registration/ permit to operate	Major	96%
First aid kits are not fully stocked with supplies	Moderate	95%
Special appliances such as boilers, unfired pressure vessels, and furnaces have not been registered and affixed with a registration certification	Moderate	84%
The facility (including construction projects) does not have all of the building permits and/or fire safety permits as per the legal requirements	Major	74%

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