

Workplace Conditions Assessment Report

Measured Results — Improved Performance



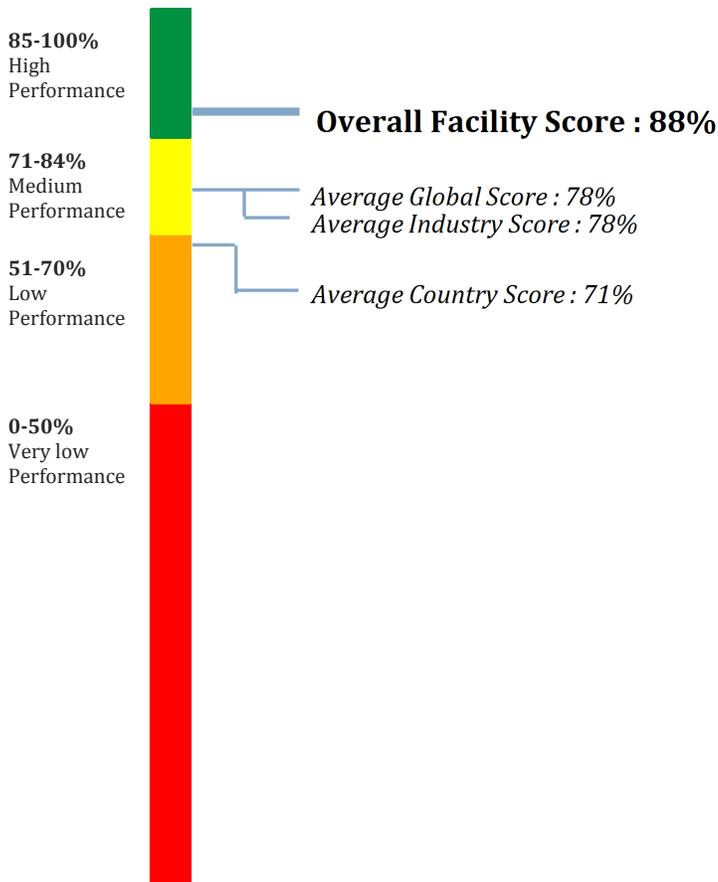
NAFA APPARELS LIMITED

GENERAL INFORMATION

Overall Facility Score : **88%**

Report No :	F_IAR_40248	City :	Dhaka
Audit Date :	Jan 07, 2019	Country :	Bangladesh
Last Audit :	Dec 24, 2017 (88%)	Auditors :	Primary: Aklima Nipa Secondary: Amam H Enam, Moyen Uddin
Assessment Stage :	Annual		
Schedule Type :	Announced	Service Provider:	Loblaw Internal

WORKPLACE PERFORMANCE INDEX AND SUMMARY Participating facilities: 29925



Assessment area	Score results	Number of non-compliances by rating				
		Zero Tolerance	Major	Moderate	Minor	Notscored
Overall	88%	-	-	4	5	-
Labor	100%	-	-	-	-	-
Wages & Hours	86%	-	-	1	-	-
Health & Safety	83%	-	-	3	1	-
Management Systems	85%	-	-	-	4	-
Environment	100%	-	-	-	-	-

A. FACILITY PROFILE

A1. FACILITY INFORMATION

Facility Name:	Nafa Apparels Limited	Facility Legal Status:	Privately owned
Facility Legal Name:	Nafa Apparels Limited.	Year facility began operations:	November 2011
Audit Location:	Hijolhati, Baroipara, Kaliakoir, Gazipur	Located in special economic zone:	No
City:	Dhaka	Person responsible for overall social compliance issues:	Md. Lutfar Rahman- General Manager - Admin, HR ,Compliance & Operation
Country:	Bangladesh	Valid certificate for social compliance certification program:	BSCI: valid till 26 November 2020 CEDEX: valid till 22 October 2019
Contact Name:	Md. Lutfar Rahman	Vendor Name:	Nafa Apparels Limited.
Contact Title:	General Manager - Admin, HR ,Compliance & Operation	Security systems in place:	<i>Yes The building has a perimeter wall around the compound. Guards are posted at every entrance (01 entrance in the facility) and of the premises. There are total 71 security guards, among them 05 are in-house recruited and others are taken from security service providing company. Securities work in 3 (three) shifts which are from 6:00 am to 2:00 pm, 2:00 pm to 10:00 pm and 10:00 pm to 6:00 am.</i>
Industry:	Apparel		

Building Description: The facility compound consists of one production building and other 09 buildings and 01 sheds. Building and sheds is made of mixture of concrete and rod. The buildings and sheds are made the detail layout is as follows: Building 01 is main production building is 7 storied by 03 blocks internally connected with each other. Ground floor is used as: Central store (fabric and accessories), Day care room, Medical room and Central machine store. 1st and 2nd is used as: Lab & Cad room (only 1st floor), Sub store, Cutting, sewing, Finishing office, fabric Sub store, fabric relaxation area and finished goods storage area. 3rd floor used as: Office, dining area, cutting, sub store and finishing; 4th floor used as: Finishing section, finished carton store 5th floor used as: Cutting, Sub store and Sewing section 6th floor used as: Empty carton store, Accessories store and Sewing section. Rooftop: Vacant space. Building 2 is fire pump room, building 03 is fire control room, building 04 generator room, building 05 is boiler room, building 06 is compressor room, building 07 is security guard room, building 08 staff dining which is 02 storied where 1st floor and 2nd floor is dining room for management and staffs and Training room. Building 09 is RMS room. Shed 1 wastage store area.

Special building type: NA

A2. PRODUCTION INFORMATION

Products manufactured/ Services provided:	All kinds of knit item	Time record system(s) used:	Swipe Card system
Production process/ Service elements:	Cutting, Sewing, finishing, Packing	Chemicals or hazardous materials on-site:	Yes <i>Chemical list: Spot lifter-833, Diesel, Machine oil</i>
Production capacity a week:	500000 pcs	Current production/ Services for client:	Yes
Total number of machines:	1489 sets		
Main machine types:	Plain machine, trimmer, over lock, flat lock , bartack, fusing machine, button stitch , cutting machine		
Shifts and Operating hours:	General working hour is 09.00 am to 06.00 pm with one hour lunch break in 02 shifts. Which are from 1:30 pm to 02:30 pm, 01:00 pm to 02:00 pm The facility is open from Saturday to Thursday. Friday is weekly holiday.		

A3. EMPLOYEE INFORMATION

Range of total number of employees at the facility:	1001-5000 employees	Female Employees:	1596
Union name:	None	Male Employees:	683
Employs juvenile workers:	None	Mgmt Employees:	216
Hires through employment agent:	No Facility did not hire employees through an employ employment agent.	Production (Non- Management) Employees:	2063
Employee nationalities/ provinces:	There is no migrant employees in the facility and all employees are Bangladeshi.	Local Employees:	2279
		Foreign/Migrant Employees:	0
		Languages spoken in the facility:	Bangla as local language and English as official language
		Management and employees speak same language :	Yes

A4. SUBCONTRACTOR INFORMATION

No subcontractor information given

A5. GENERAL INFORMATION

This is an annual audit at Nafa Apparels Ltd. The facility is situated at Hijolhati, Baroipara, Kaliakoir, Gazipur. The facility is located at Kaliakoir area where some similar types of garment industries were found in the area. The facility is located in an own compound where no market places, residence and facility of different owner was found. The facility compound consists of one 7 storied building with other 10 structure. Details of building description was given in relevant section. The facility started its operation since November, 2011. Total land area of the facility is 103000 square feet, production area 224683 square feet and warehouse is 45800 square feet. A total of 2279 employees are currently working in the facility where 2063 are production employees and 216 are non-production employees. Among 2279 employees 1596 are female employees and 683 are male employees. Shift details also described in relevant section. Facility has no peak season for production. Production goes almost same round the year. The production capacity of the facility is 2000000 pieces per month. During audit all exits and door was found open. Employees' wages are calculated on a monthly basis. Based on management interview and document review it was noted that facility did not use any sub-contract and during audit time respective client production was found.

Emergency Preparedness Summary

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

- 1) Mr. Md. Nasir Uddin - (Safety Officer) is responsible for all safety in the facility
- 2) Facility uses in front side of the facility as assembly point with sufficient space to serve all the employees.
- 3) All the exits are as per legal requirement.
- 4) There are sufficient evacuation plan installed throughout the main production building. Safety or awareness posters, no smoking sign, emergency number etc. were also found posted in production floor.
- 5) Facility has ABC type fire extinguishers 406, CO2 type fire extinguisher 100, foam type 7, smoke detector 663, 22 stretcher, 20 Fire hook, 30 fire bitter, 29 fire blanket, 16 manila rope, 20 lock cutter, 20 pair Gum boot, 53 pair Hand gloves, 16 Gong bell, 67 respiratory mask, 52 fire siren, 31 Hose reel, 10 heat detector, 92 fire Bucket, 10 fire proof jacket, 63 fire resistant door, 11 hammer.
- 6) Underground water reservoir capacity is 200000 liters and overhead 200000 liters.
- 7) Facility conducted fire drill on monthly basis as per legal requirement. Last fire drill was done on 17 December 2018, Evacuation time required 03:10 minutes, Total participants 2129.
- 8) Facility has a valid hospital contract with nearest hospital named Centre for woman and Child Health for emergency cases. Facility has a permanent medical center (Common) for the emergency treatment of the employees where 02 full time doctors and nurses are available.
- 9) The facility has health and safety committee with 10 members who seats to discuss the environment, Health & safety issues of the facility including emergency preparedness system of the facility. Last meeting was held on 10 December 2018.
- 10) Facility has 09 electricians who has competency certificate. They inspected the electrical wiring, DB board, bus bar in daily basis.
- 11) Fire alarm switch were found beside the each exit gate of the floor.
- 12) Facility has an emergency response team consisted of 810 members including fire fighter, rescuer and first aider. Among them 660 of them were trained from fire service and civil defense authority (FSCDA). All fire fighter received refreshment training from internal trainer by Safety Officer. Last fire refresh training was done on 13 September 2018 and participant-40
- 13) Generator room is situated at shed which is separate from production floor.
- 14) Child care is situated at separate part of ground floor.

A6. AUDIT PROCESS

Audit pay period provided for review

Records	From	To
12 Months Payroll	01-12-2017	30-11-2018
12 Months Attendance	01-12-2017	30-11-2018
Special Comments	Not applicable	

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	01-11-18	30-11-18	No	30
Period 1	01-06-2018	30-06-2018	No	10
Period 2	01-01-2018	31-01-2018	No	10
Total				50

Other records reviewed

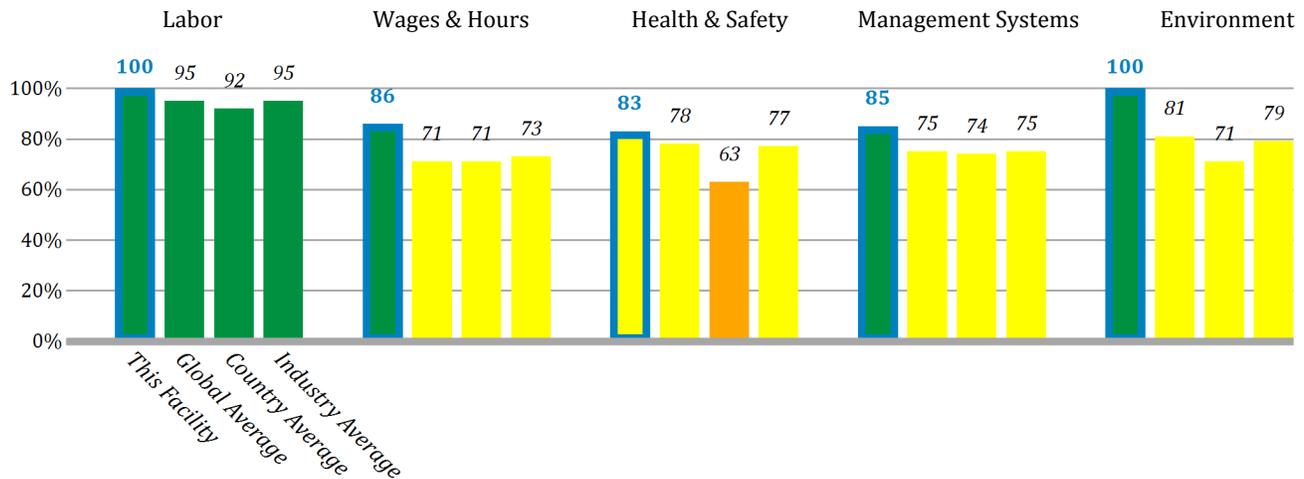
Personnel records
Security log book
Non-Production records
Legal Permits
Employee leave register
Health examination records
Other : All policy etc.

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

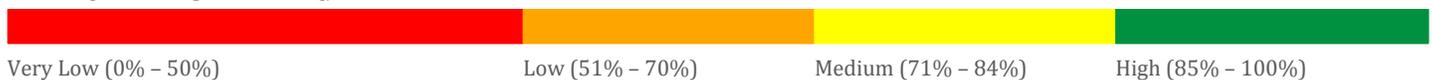


B2. PERFORMANCE TREND ANALYSIS

Section Name	Current (07-Jan-2019)	Last (24-Dec-2017)	First (25-Sep-2014)	Change (Current-Last)	Change (Current-First)
Labor	100	100	77	0 % ■	29 % ▲
Wages & Hours	86	100	95	-14 % ▼	-9 % ▼
Health & Safety	83	79	89	5 % ▲	-6 % ▼
Management Systems	85	96	77	-11 % ▼	10 % ▲
Environment	100	71	42	40 % ▲	138 % ▲
Overall Score	88	88	82	0 % ■	7 % ▲

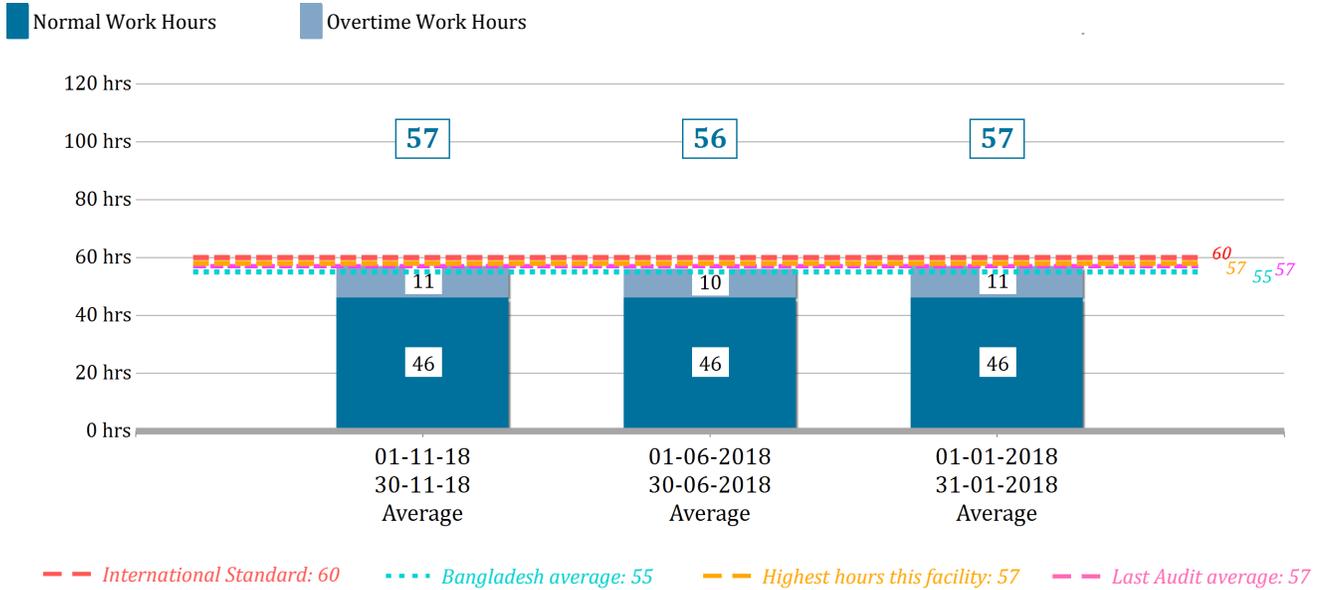
▲ Advancers ■ Constant ▼ Decliner

PERFORMANCE RATING



B3. WORKING HOURS AND WAGES

Average total hours worked weekly



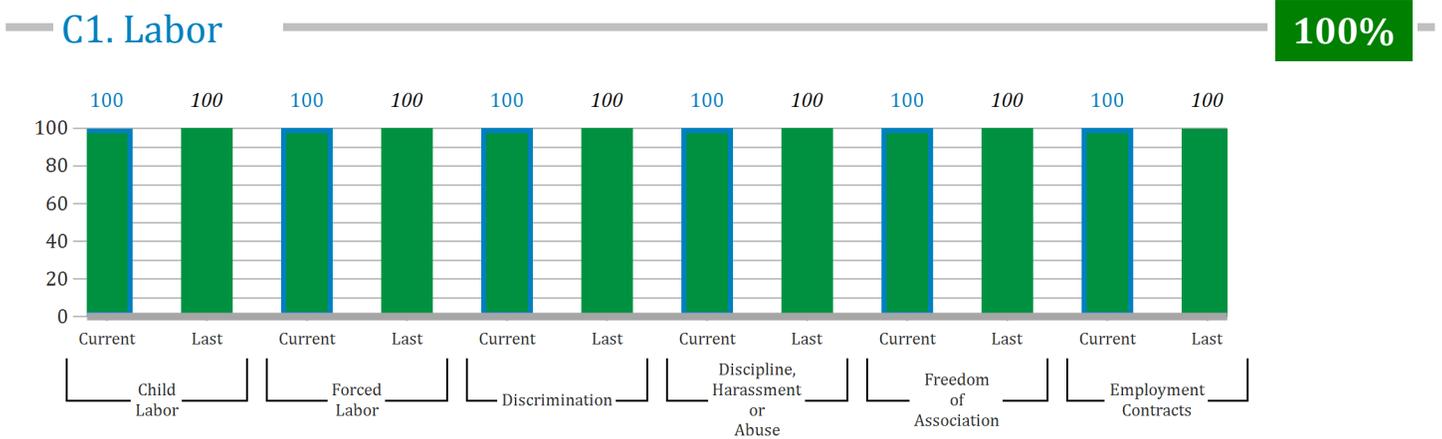
Average wages paid in local currency (BDT)



- Special wage circumstances:** As per Bangladesh Government Gazette 2013, 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:** Based on employee's time card, salary sheet review,
- General working hour is 09.00 am to 06.00 pm with one hour lunch break in 02 shifts. Which are from 1:30 pm to 02:30 pm, 01:00 pm to 02:00 pm.
 - The facility is open from Saturday to Thursday. Friday is weekly holiday.
 - Employee's wages are calculated on a monthly basis.
 - Electronic punch card is used for time recording system.
 - All employees are fixed rated employees.
 - Overtime is paid as per premium rate.
 - 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 8 April 2019.
 - Facility provided two festival bonuses to those employees who has completed at least one year in this facility, which was as per law.
 - Based on salary sheet review and time cards review working hour of the employees were found within 60 hours in a week and 10 hours in a day in the sample 3 months. In addition, one day rest after 6 working days was also ensured.
 - Facility provided maternity benefit and annual leave encashment to eligible employees.
 - Facility provided attendance bonus monthly for all employees which are a best and industry practice.
 - Facility deducted for unauthorized absent from their basic wages and stamp deduction.

C. PERFORMANCE DETAILS

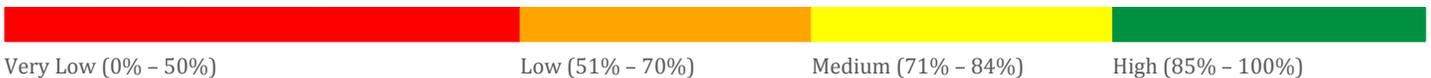
Current (07-Jan-2019) Last (24-Dec-2017)



Additional Findings

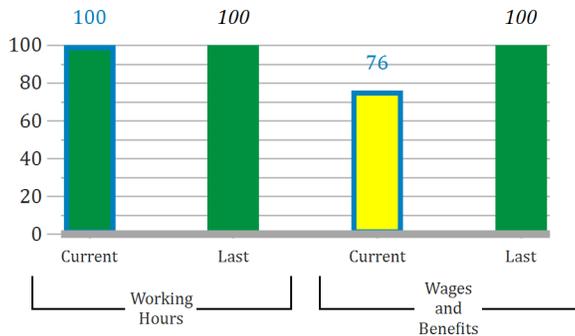
Based on management interview & ID card review it was noted that blood group and national ID card information of employees were not updated in their ID card as per local legislation.

PERFORMANCE RATING



C2. Wages & Hours

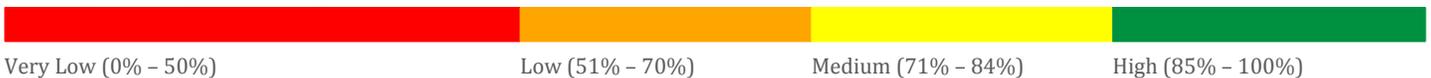
86%



Sub Section: Wages and Benefits

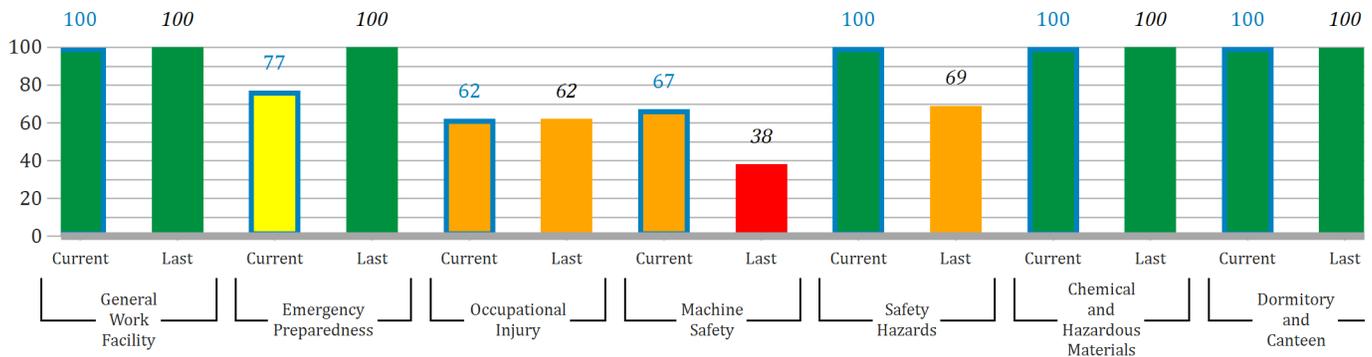
Status	Findings	% Global freq of compliance
● Moderate	<p>150.00 : The facility does not provide social security, pensions, healthcare and/ or other insurance to employees as per legal requirement.</p> <p>Auditor's comment Based on documents review and management interview it was noted that workers group insurance certificate has expired on December 31, 2018 and renewal process is in progress.</p> <p>In accordance with Bangladesh Labor Rules 2015, Section-98 Introduction of obligatory group insurance policy : (1) All Owners to whom Section 99 applies shall initiate group insurance policy for each worker; (2) Group insurance policy shall be applicable in case of the death of workers and their permanent disabilities; (3) The Owner can have agreements with all insurance companies approved by the government in order to launch the insurance policy; (4) Annual premium of the policy shall be paid by the Owner. The premium amount cannot be deducted from the wages of the workers; (5) In case of death of the worker while remaining on employment, the insurance money has to be paid to the person nominated by the worker or to his/her legal heir/s; (6) Annual premium of insurance and the insurance money shall be free from income tax; (7) Monetary facilities received from insurance policy and the facilities received from other regulations shall not be alternative to each other.</p>	57%

PERFORMANCE RATING



C3. Health & Safety

83%



Sub Section: Emergency Preparedness

Status	Findings	% Global freq of compliance
● Minor	<p>179.00 : The responsible person(s) cannot adequately explain the facility's emergency preparedness and response program(s), including their responsibilities</p> <p>Auditor's comment Based on site tour and employee interview it was noted that 3 out of 6 rescue and fire fighter were not aware about their responsibilities.</p>	98%
● Moderate	<p>193.00 : Access to aisles, stairs and passageways are not kept clear at all times</p> <p>Auditor's comment Based on site tour it was noted that approximately 10% aisles and arrow marks were found faded located at 3rd & 4th floor of building-02.</p> <p>Bangladesh Labour Law 2006, Chapter VI, Safety, Section 72 ©, Labor Rules 2015, Section 59 All floors, ways and stairways shall be clean, wide and clear of all obstructions. Installation of equipment and rout- In case of installation of any equipment in any place of the company, the distance of the equipment from the wall must be at least 1 meter and near the installed equipment or the row of the equipment at least 1 meter wide passage must have: Provided that, at present in case of the running institution if there is no place, the distance of equipment from the wall and passage can be kept at least 0.75 meter.</p>	93%

Sub Section: Occupational Injury

Status	Findings	% Global freq of compliance
● Moderate	<p>206.00 : The facility does not have first aider(s) in place</p> <p>Auditor's comment Based on site tour and employee interview it was noted that 2 out of 3 first aiders were not aware about their responsibilities.</p> <p>Bangladesh Labor Rules 2015, Section – 55(10) If possible, all workers or at least 18% of the workers employed in each department have to be trained on fire-fighting, emergency rescue operation, first aid and the usage of portable fire-repellant instruments. And the security has to be ensured by dividing the trained workers into fire-fighting team, rescue team and first aid team (6% members in each team)</p>	94%

PERFORMANCE RATING



Sub Section: Machine Safety

Status	Findings	% Global freq of compliance
● Moderate	<p>223.00 : Points of operation and other potentially dangerous parts are not operated with proper machine safeguards</p> <p>Auditor's comment Based on site tour it was noted that approximately 10% needle guard found displaced at 5th & 6th floor of building-02.</p> <p>Bangladesh Labour Law 2006, Chapter VI, Safety, Section 63 (1)d 3 and Labor Rules 2015, Section 64(2)</p> <p>In every establishment the following shall be securely fenced by the safeguards of substantial construction which shall be kept in position while the part of machinery required to be fenced are in motion or in use, namely-d. Unless they are in such positions or of such construction as to be as safe to every person employed in the establishment as they would be if they ware securely fenced-iii) every dangerous part of any machinery. Effective machine guard or eye safety goggles must be installed/used in all cases where the possibility of having injuries in the eye is high.</p>	84%
● Corrected	<p>225.00 : <i>Previous Non-Compliance</i> : The use of personal protective equipment (PPE), such as face masks, safety gloves, earplugs, etc as required to protect employees from machine hazards, is not provided to the employees by the facility</p> <p>Auditor's comment Facility has provided rubber mat at button machines located at sewing section.</p>	94%

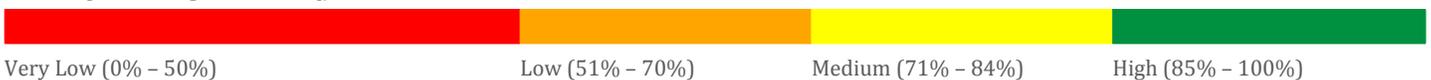
Sub Section: Safety Hazards

Status	Findings	% Global freq of compliance
● Corrected	<p>232.00 : <i>Previous Non-Compliance</i> : 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 Facility received generator waiver certificate 5 December 2018 which is valid till 27 march 2021.</p>	85%

Additional Findings

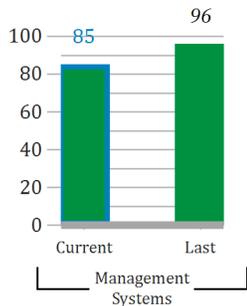
Based on facility tour it was noted that the facility has preserved fabrics up to ceiling, they did not maintain minimum distance from upper ceiling.

PERFORMANCE RATING



C4. Management Systems

85%



Sub Section: Management Systems

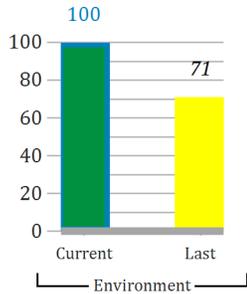
Status	Findings	% Global freq of compliance
● Minor	<p>296.03 : The facility has comprehensive employment practice processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented</p> <p>Auditor's comment The facility has comprehensive employee safety processes and procedures in a written manual that support adherence to social compliance requirements but management it was noted that blood group and national ID card information of employees were not updated in their ID card.</p>	82%
● 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 The facility has comprehensive employee safety processes and procedures in a written manual that support adherence to social compliance requirements but management interview it was noted that workers group insurance certificate has expired on December 31, 2018 and renewal process is in progress.</p>	49%
● Minor	<p>296.06 : The facility has comprehensive emergency preparedness processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented</p> <p>Auditor's comment The facility has comprehensive employee safety processes and procedures in a written manual that support adherence to social compliance requirements but and the facility has preserved fabrics up to ceiling, they did not maintain minimum distance from upper ceiling and approximately 10% aisles and arrow marks were found faded.</p>	64%
● 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 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 as some improvement areas were noted as follows: first aiders and fire fighter were not aware about their responsibility and approximately 10% needle guard found displaced at 5th & 6th floor of building-02</p>	52%

PERFORMANCE RATING



C5. Environment

100%



Sub Section: Environment

Status	Findings	% Global freq of compliance
● Corrected	<p>331.00 : <i>Previous Non-Compliance</i> : The air emissions do not meet the discharge limits for regulated constituents</p> <p>Auditor's comment Facility has conducted test the Suspended particulate materials (SPM) parameter for cutting section.</p>	86%

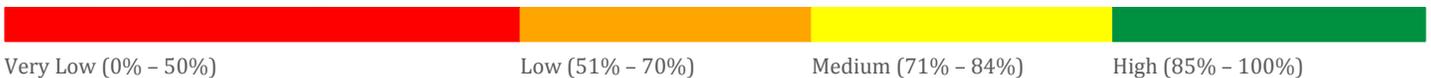
% Global Frequency of Compliance: Represents the implementation percentage performance of all suppliers participating in the WCA Community globally for each issue

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.
- Major : Take action within 0 ~ 1 month to make necessary improvements.
- Moderate: Take action within 0 ~ 3 months 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	47%
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 responsible person(s) cannot adequately explain the facility's emergency preparedness and response program(s), including their responsibilities	Minor	98%
The facility does not have first aider(s) in place	Moderate	94%
Access to aisles, stairs and passageways are not kept clear at all times	Moderate	93%
Points of operation and other potentially dangerous parts are not operated with proper machine safeguards	Moderate	84%
The facility has comprehensive employment practice processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented	Minor	82%
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	64%

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