

# Workplace Conditions Assessment Report

Measured Results — Improved Performance



## MODERN NEEDLE CRAFT LIMITED

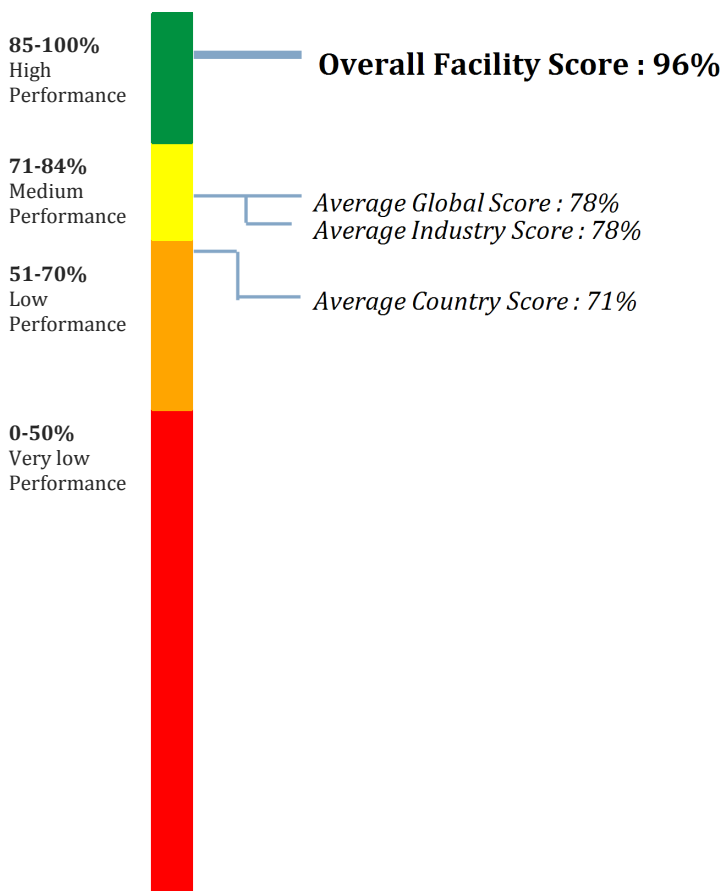
### GENERAL INFORMATION

Overall Facility Score : **96%**

Report No :	F_IAR_80483	City :	Gazipur, Bangladesh
Audit Date :	Jul 20, 2019	Country :	Bangladesh
Last Audit :	Jul 30, 2018 (93%)	Auditors :	Primary: Abdullah Muktadir
Assessment Stage :	Annual		Secondary: None
Schedule Type :	Announced	Service Provider:	Intertek

### WORKPLACE PERFORMANCE INDEX AND SUMMARY

Participating facilities: 31313



Assessment area	Score results	Number of non-compliances by rating				
		Zero Tolerance	Major	Moderate	Minor	Notscored
<b>Overall</b>	<b>96%</b>	-	-	<b>1</b>	<b>3</b>	-
Labor	<b>100%</b>	-	-	-	-	-
Wages & Hours	<b>100%</b>	-	-	-	-	-
Health & Safety	<b>91%</b>	-	-	<b>1</b>	<b>2</b>	-
Management Systems	<b>96%</b>	-	-	-	<b>1</b>	-
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, Gazipur, Bangladesh.	<b>Located in special economic zone:</b>	No
<b>City:</b>	Gazipur, Bangladesh	<b>Person responsible for overall social compliance issues:</b>	Mr. Hasan Tariq – DGM (Admin, HR & Compliance)
<b>Country:</b>	Bangladesh	<b>Valid certificate for social compliance certification program:</b>	None
<b>Contact Name:</b>	Mr. Hasan Tariq	<b>Vendor Name:</b>	NAFA APPARELS LTD.
<b>Contact Title:</b>	DGM (Admin, HR & Compliance)	<b>Security systems in place:</b>	<i>Yes The premises security and the guards are posted at entrance and back side of the premises. The facility is also monitored by CC TV camera.</i>
<b>Industry:</b>	Apparel		

**Building Description:** There was 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, transformer area, compressor area.  
 1st Floor: Office Room, Conference Room, Doctor’s Room, Canteen, Dining

3. Three Storied RCC Building (Vacant and under renovation)  
 Ground Floor: Vacant and under renovation, fire hydrant room  
 1st Floor : Vacant and under renovation.  
 2nd Floor: Vacant and under renovation.  
 Roof Top: Vacant and under renovation.

4. One Storied Pre-Fabricated Shed  
 Ground Floor: Generator Room,

5. One Storied Pre-Fabricated Shed  
 Ground Floor: Vacant and under renovation.

The land area of facility premise is around 15000 square feet. The floor area is around 14387 square feet. 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 facility management.

**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>	100000 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>	184
<b>Employs juvenile workers:</b>	None	<b>Mgmt Employees:</b>	27
<b>Hires through employment agent:</b>	No Facility did not hire any employee through employment agent.	<b>Production (Non-Management) Employees:</b>	159
<b>Employee nationalities/provinces:</b>	All are Bangladeshi.	<b>Local Employees:</b>	184
		<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. The facility also had an initiative to arrange "Free Friday Clinic" once in every two months, where the family of the workers can take medical facility for free.

Note, within the premise, they facility is renovating No. 03 and No. 05 building which was not covered under interconnected detection system. since the shed was fully vacant and under construction during the audit day, it was not considered as a, improvement area.

### 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 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 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 07/07/2019).
8. Facility conducts fire dill in every month. Last fire drill on day shift was taken place on 07/07/2019. Participants were 88 and Evacuation time: 0:52 minutes and night shift fire drill were taken place on 17/07/2019. Participants were 66 and Evacuation time: 0:50 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 1 electrician who inspected the electrical wiring, DB board, bus bar on monthly basis. Last check date is 07/07/2019.
10. Facility has 40 fire fighters. Among them 40 employees trained from Fire Service and Civil Defense Authority (FSCDA-Government organization).
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	01-07-2018	30-06-2019
12 Months Attendance	01-07-2018	30-06-2019
<b>Special Comments</b>	Not applicable	

### *Employee interview sampling*

Individual	10 employees
Group	N/A
<b>Total interviewed</b>	<b>10 employees</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	01-06-2019	30-06-2019	No	10
Period 1	01-03-2019	31-03-2019	No	3
Period 2	01-12-2018	31-12-2018	No	3
<b>Total</b>				<b>16</b>

### *Other records reviewed*

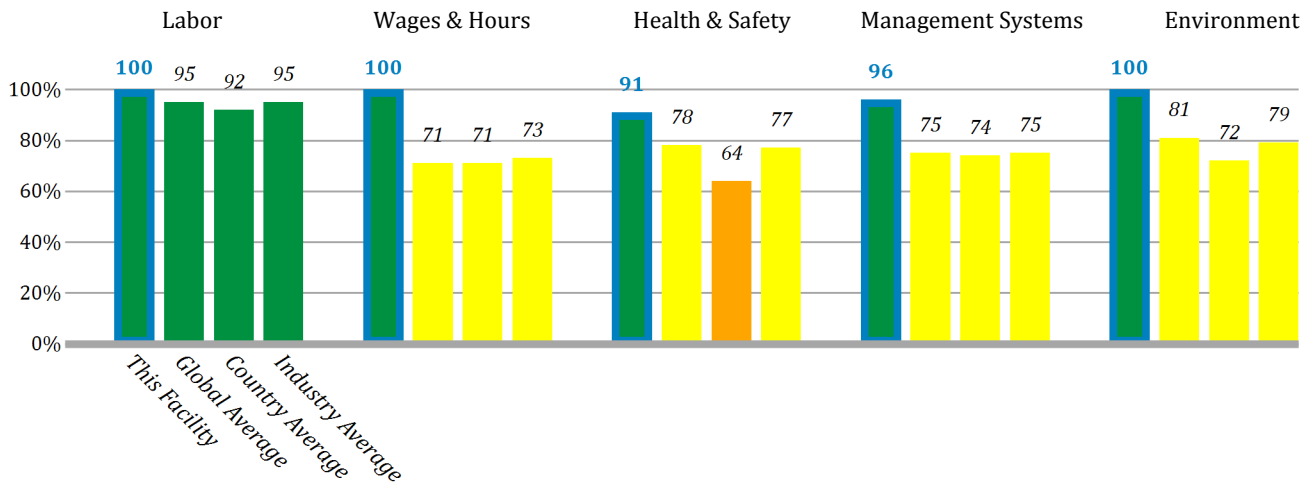
Personnel records  
Security log book  
Non-Production records  
Legal Permits  
Employee leave register  
Health examination records  
Other : All policy

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

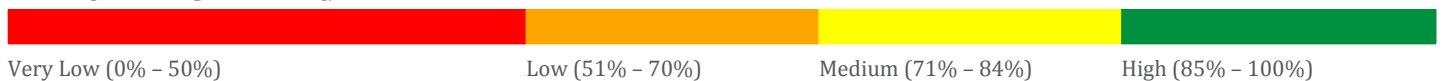


### B2. PERFORMANCE TREND ANALYSIS

Section Name	Current (20-Jul-2019)	Last (30-Jul-2018)	First (18-Jun-2016)	Change (Current-Last)	Change (Current-First)
Labor	100	100	100	0 % <span style="color: blue;">▬</span>	0 % <span style="color: blue;">▬</span>
Wages & Hours	100	100	100	0 % <span style="color: blue;">▬</span>	0 % <span style="color: blue;">▬</span>
Health & Safety	91	87	84	4 % <span style="color: green;">▲</span>	8 % <span style="color: green;">▲</span>
Management Systems	96	93	89	3 % <span style="color: green;">▲</span>	7 % <span style="color: green;">▲</span>
Environment	100	100	100	0 % <span style="color: blue;">▬</span>	0 % <span style="color: blue;">▬</span>
<b>Overall Score</b>	<b>96</b>	<b>93</b>	<b>91</b>	<b>3 % <span style="color: green;">▲</span></b>	<b>5 % <span style="color: green;">▲</span></b>

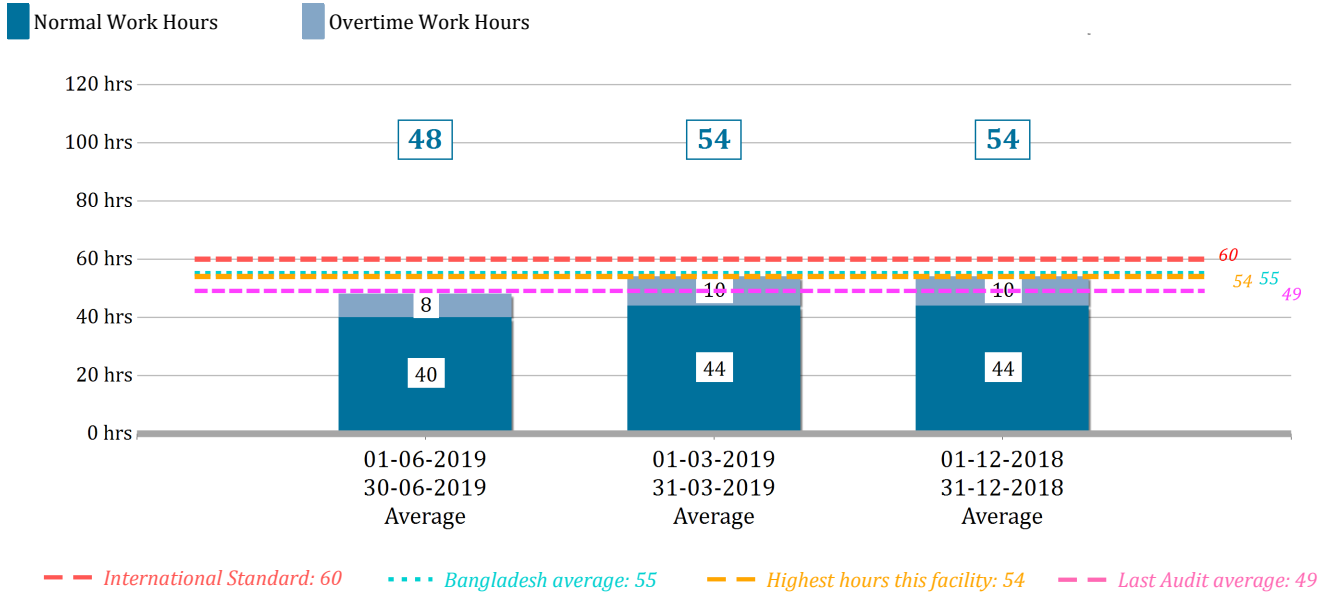
▲ Advancers    ▬ Constant    ▼ Decliner

#### PERFORMANCE RATING

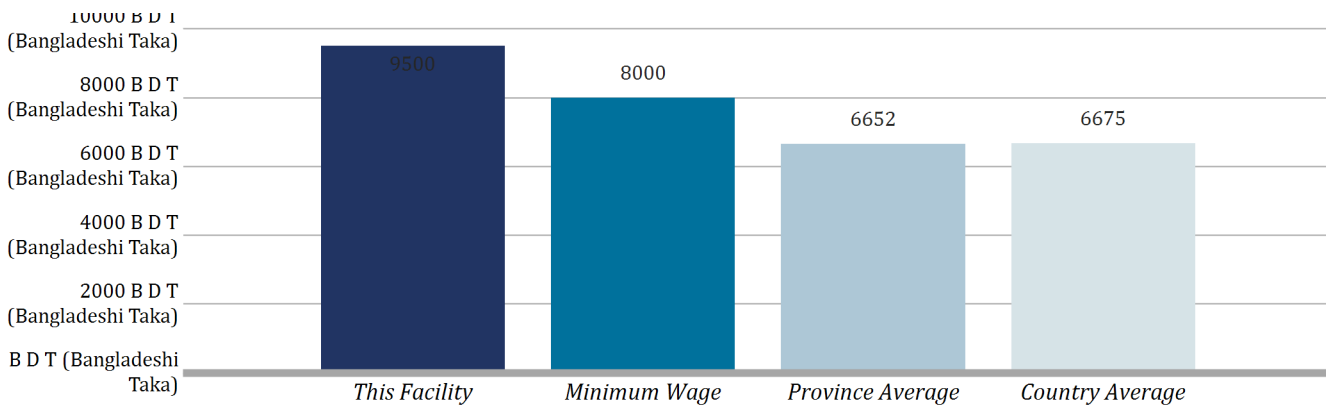


### B3. WORKING HOURS AND WAGES

#### Average total hours worked weekly



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





**Special wage circumstances:** As per Bangladesh Government Gazette published on 24th January 2019:

Grade-01

Pattern Master: Basic salary- Tk. 10938, House rent- Tk. 5469, Medical- Tk. 600, Conveyance allowance 350, food allowance 900 Total- Tk. 18257.00

Grade-02

a) Mechanic/ Electrician, b) Cutting master: Basic salary- Tk. 9044, House rent- Tk.4522, Medical- Tk. 600, Conveyance allowance 350, food allowance 900 Total- Tk.15416.00

Grade-03

Sample Machinist/Senior Operator: Basic salary- Tk. 5330, House rent- Tk.2665, Medical- Tk. 600, Conveyance allowance 350, food allowance 900, Total- Tk.9845.00

Grade-04

Sewing machine operator: Basic salary- Tk. 4998, House rent- Tk. 2499, Medical- Tk. 600, Conveyance allowance 350, food allowance 900, Total- Tk. 9347.00

Grade-05

Junior Sewing machine operator: Basic salary- Tk. 4683, House rent- Tk.2342, Medical- Tk. 600, Conveyance allowance 350, food allowance 900, Total- Tk. 8875.00

Grade-06

General sewing machine operator: Basic salary- Tk. 4380, House rent- Tk.2190, Medical- Tk. 600, Conveyance allowance 350, food allowance 900, Total- Tk. 8420.00

Grade-07

Assistant sewing machine operator: Basic salary- Tk.4100, House rent- Tk. 2050, Medical- Tk. 600, Conveyance allowance 350, food allowance 900, Total- Tk.8000.00

**Wages and hours summary:** Based on the facility employee's salary sheet review, employee and management interview, facility have some best practice which are provided to all employees beyond the local law. Along with the best practice, the common wage and benefit practices are as follows –

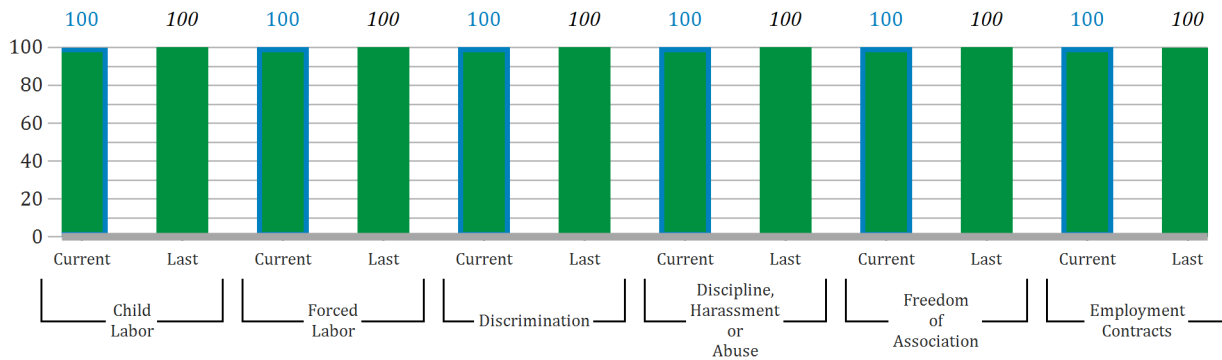
1. The facility has 2 shifts for working 8:00 am to 5:00 pm and 8:00 pm to 5:00 am with 1-hour lunch break from 1:00 pm to 2:00 pm (day shift) and 1-hour dinner break from 1:00 am to 2:00 am (night shift).
2. The facility runs for every seven days of a week. No definite weekly holiday but employees are enjoying 1-day weekly holiday by rotation.
3. 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.
4. 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 as per Circular dated 04 July 2019 from labour ministry: Facility can do 04 (Four) hours overtime in a day with the consent of the employees upto 06 (Six) months starting from 17 April 2019 to 16 October 2019 upon fulfilling some conditions.
5. Facility has announced to provide 11 days festival leave in a year with full payment as per legal requirement.
6. Facility maintained all employee's in & out record through punch card.
7. All employees were getting their wages in a timely manner within 7 working days after completion of the month.
8. Based on document review (salary sheet, employee appointment letter), facility ensured minimum wages to all employees as per their grade for normal working.
9. Premium rate (200% on basic wage) or double rate provided to all employees for overtime hours.
10. Facility has provision to provide service benefits for resign employees. Facility deducted only for unauthorized absent from their basic salary which comply with the legal regulation.
11. Facility provides 400 Attendance bonuses to the employees as per company policy.

## C. PERFORMANCE DETAILS

Current (20-Jul-2019) Last (30-Jul-2018)

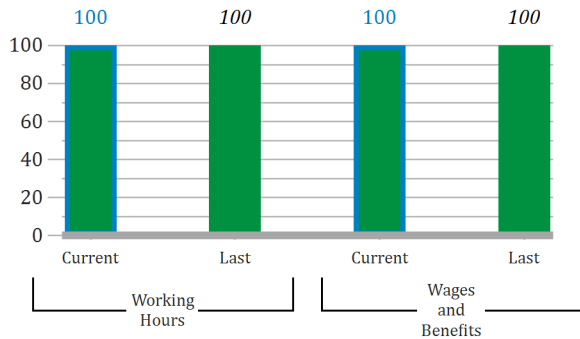
### C1. Labor

100%

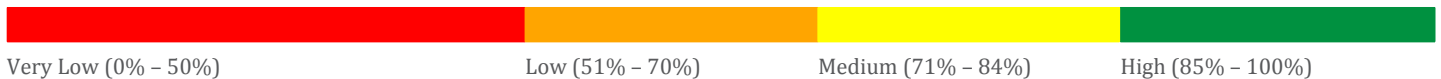


### C2. Wages & Hours

100%

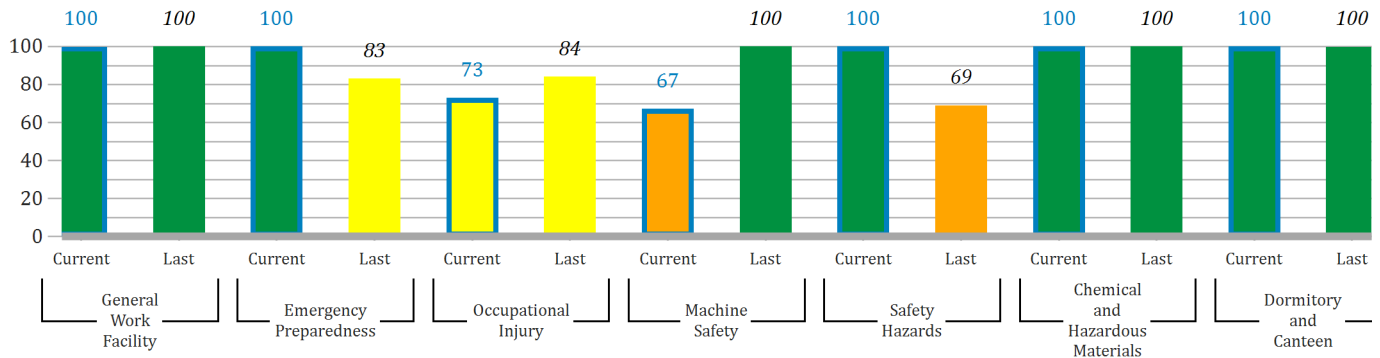


### PERFORMANCE RATING



### C3. Health & Safety

91%



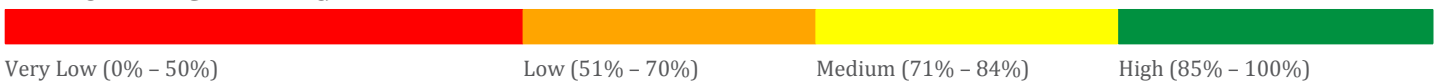
#### Sub Section: Emergency Preparedness

Status	Findings	% Global freq of compliance
● Corrected	<p><b>180.02 : Previous Non-Compliance :</b> Smoke detector is not properly installed throughtout the facility and/ or not regularly maintained.</p> <p><b>Auditor's comment</b> The facility has covered full production area and utility and office area under the interconnected fire and smoke detection system. Note, within the premise, they facility is renovating No. 03 and No. 05 building which was not covered under interconnected detection system. since the shed was fully vacant and under construction during the audit day, it was not considered as a, improvement area.</p>	81%

#### Sub Section: Occupational Injury

Status	Findings	% Global freq of compliance
● Minor	<p><b>209.00 :</b> For any work-related injuries in the past three years, the facility did not perform investigations to determine root cause(s) and implemnet corrective actions</p> <p><b>Auditor's comment</b> Based on document review and management interview it was noted that the facility management did not submit the injury record to the concern authority within 07 days of the injury of the employee who was absent for more than 2 days (48 hours). Note that last injury occurred on 15/12/2018 and the employee was absent for 06 days. Law Reference: Bangladesh Labour Rules 2015, Rule 70: If a worker cannot join the workforce within 48 hours of the accident and if he/she remains absent from the workplace for maximum 20 days, the happening shall be considered as Minor Accident. At this, the concerned institute must notify about the accident in accordance with Form-27 to the concerned authorities mentioned in Clause (a), (b) and (c) of Sub-section (1) of Rule 69, within 7 days of the happening.</p>	97%

### PERFORMANCE RATING



**Sub Section: Occupational Injury**

Status	Findings	% Global freq of compliance
● Minor	<p><b>211.00</b> : The facility does not conduct and/ or pay for regular occupational health examinations for employees when applicable</p> <p><b>Auditor's comment</b> Based on document review and management interview it was noted that the facility did not conduct regular health checkup for all the employees. Also, the facility did not collect testimonial of health assessment as per legal requirement.</p> <p><b>Bangladesh Labor Rules 2015, Section – 68(4)</b>            The owner of the institute shall conduct the physical fitness test of the workers on his/her own cost, by a registered Physician, for the activities that are described in Sub-section (1) and (2) and he/she would receive a Medical Certificate of each worker as per Form-26, certifying his fitness for performing the activities; (5) The owner must receive the physical fitness certificate of each worker mentioned in Sub-section (4), which has to be certified by a registered Physician, at least once a year. (6) The concerned Physician and the owner must preserve the copies of physical fitness certificate in separate registers as per the description of Form-26 (a) and the certificate should follow the description mentioned in Sub-section (4) and (5).</p>	73%
● Corrected	<p><b>213.00</b> : <i>Previous Non-Compliance</i> : The facility does not apply for testing of factors of occupational hazards at least once a year and the report kept for review</p> <p><b>Auditor's comment</b> Based on document review and management interview it was noted that the facility did not tested the indoor noise level in last one year. Note that last noise level testing was conducted on 17/07/2019 and the results were found with acceptable limits as per the tested standards.</p>	77%

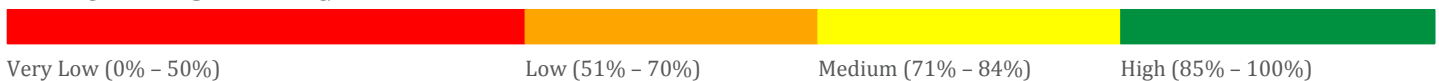
**Sub Section: Machine Safety**

Status	Findings	% Global freq of compliance
● Moderate	<p><b>222.00</b> : Points of operation and other potentially dangerous parts are not properly isolated and maintained</p> <p><b>Auditor's comment</b> Based on facility tour and management interview it was noted that the compressor machine was placed in front of transformer area without any fencing.</p> <p><b>Bangladesh Labour Law 2006, Chapter VI, Safety, Section 63 (1)d 3.</b>            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.</p>	98%

**Sub Section: Safety Hazards**

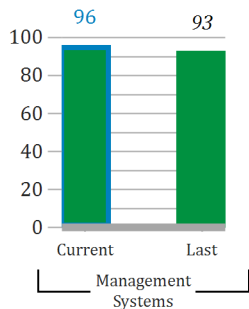
Status	Findings	% Global freq of compliance
● Corrected	<p><b>232.00</b> : <i>Previous Non-Compliance</i> : Special appliances such as boilers, unfired pressure vessels, and furnaces have not been registered and affixed with a registration certification</p> <p><b>Auditor's comment</b> The facility had generator waiver license which is valid till 17 September 2021.</p>	85%

**PERFORMANCE RATING**



## C4. Management Systems

96%



### Sub Section: Management Systems

Status	Findings	% Global freq of compliance
● Corrected	<p><b>296.06 : Previous Non-Compliance :</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> The facility has comprehensive emergency preparedness processed and procedures in a written manual that support adherence to social compliance requirements</p>	63%
● 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> The facility established policies and procedures, the monitoring system with regards occupational injury, machine safety and safety hazards but all those may not be effective or policies are incomplete thus resulting to lapses of implementation with the finding in the following areas: injury records were not submitted timely, proper health check-up documents were not maintained, compressor was installed without any safety fencing and updated fire license is not yet received.</p>	51%

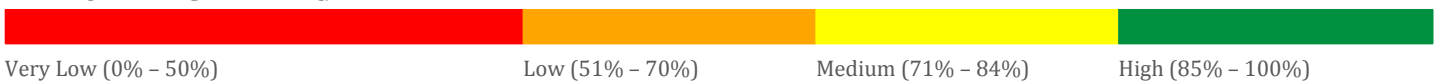
#### Additional Findings

Based on document review and management interview it was noted that the facility's trade license was expired on 30 June 2019. Note that the facility has already applied for renewal of the same but have not received the updated copy yet.

City Corporation Taxation Rules 1986, Section -48.

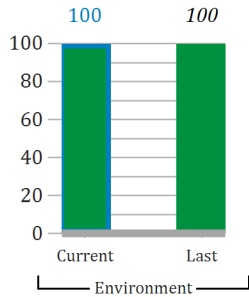
No person shall carry on or maintain within the local limits of the City Corporation, either by himself or by agent, any such profession, trade or calling as specified in the Model Tax Schedules, without taking out a licence from the City Corporation which shall be renewable annually.

### PERFORMANCE RATING



## C5. Environment

100%



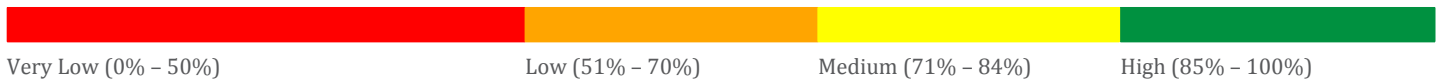
**% Global Frequency of Compliance:** Represents the implementation percentage performance of all suppliers participating in the WCA Community globally for each issue

**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	47%
The facility has comprehensive working hour and wages management processes and procedures in a written manual that support adherence to social compliance requirements and are being properly implemented	Minor	48%
The facility provides social security, pensions, healthcare and/ or other insurance to employees as per legal requirement.	Moderate	58%
Total working hours during the period specified by the waiver are within allowable limits under the waiver.	Moderate	59%

Challenges: Facility performance ranks in the bottom percentile of the population	Rating	Global Freq. of Compliance%
Points of operation and other potentially dangerous parts are not properly isolated and maintained	Moderate	98%
For any work-related injuries in the past three years, the facility did not perform investigations to determine root cause(s) and implement corrective actions	Minor	97%
The facility does not conduct and/ or pay for regular occupational health examinations for employees when applicable	Minor	73%

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