

Workplace Conditions Assessment Report

Measured Results — Improved Performance



SAFAA SWEATERS LIMITED

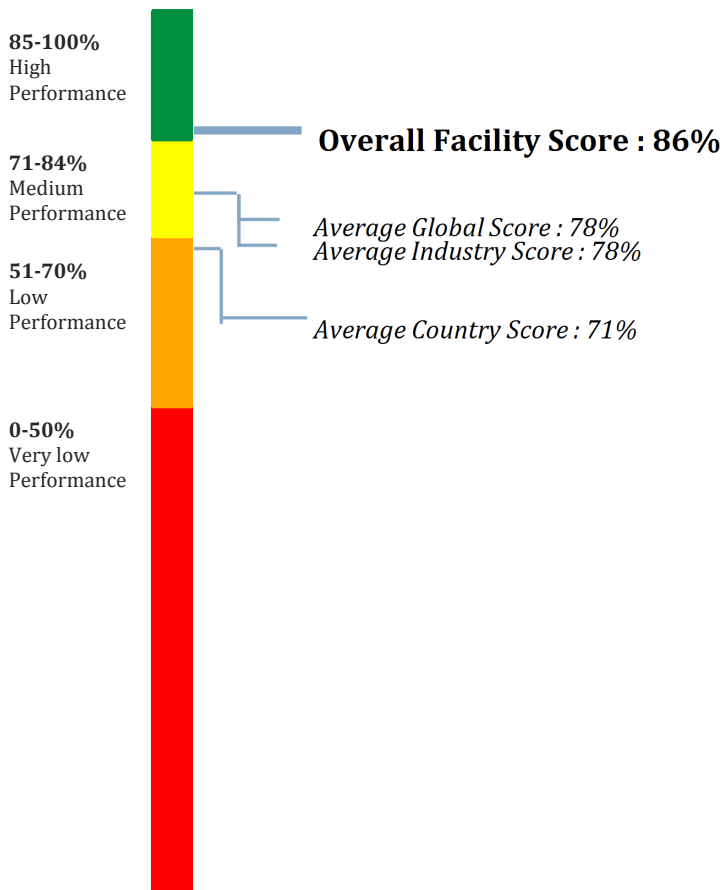
GENERAL INFORMATION

Overall Facility Score : **86%**

Report No :	F_IAR_82052	City :	Gazipur.
Audit Date :	Jul 18, 2019	Country :	Bangladesh
Last Audit :	Jul 16, 2018 (85%)	Auditors :	Primary: Mohammad Salah Uddin
Assessment Stage :	Annual		Secondary: Davit Tripura, Shahina Kader
Schedule Type :	Announced	Service Provider:	Intertek

WORKPLACE PERFORMANCE INDEX AND SUMMARY

Participating facilities: 31321



Assessment area	Score results	Number of non-compliances by rating				
		Zero Tolerance	Major	Moderate	Minor	Notscored
Overall	86%	-	1	3	4	-
Labor	100%	-	-	-	-	-
Wages & Hours	100%	-	-	-	-	-
Health & Safety	83%	-	-	3	1	-
Management Systems	71%	-	1	-	3	-
Environment	100%	-	-	-	-	-

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. Md. Nurshed Alam - DGM (HR, Admin, Compliance & Operation)
Country:	Bangladesh	Valid certificate for social compliance certification program:	Certification Period: August 16, 2018 to August 16, 2019.
Contact Name:	Mr. Helal Uddin	Vendor Name:	NAFA APPARELS LTD.
Contact Title:	AGM (Admin & Compliance)	Security systems in place:	<i>Yes The building has a perimeter wall around the compound. Security and the guards are posted at entrance and back side of the premises. However, all security system has been controlled by CCTV and facility has appointed 40 security guards.</i>
Industry:	Apparel		

Building Description: The facility compound consists of 03 buildings and 02 sheds. Buildings and sheds are made of rod cement, concrete, brick and steel. The details floor layout is as follows:

Building-1 (7 storied):

Ground floor: Fabric store, Accessories store, Wastage room, Day care, Medical, Inspection & Office room, wastage room & Sub-station.

1st floor: Finished carton store, Idle machine room, Leftover and Empty carton room.

2nd floor: Sewing, Finishing, Packing, Inspection, Accessories sub store, Maintenance room & Office.

3rd floor: Sewing, Finishing, Packing, Inspection, Accessories sub store, Maintenance room & Office.

4th floor: Sewing, Finishing, Sample, Dining, Canteen, Prayer room & Office.

5th floor: Cutting, Sample, CAD, Lab & Office.

6th floor: Sewing, Finishing, Packing, Inspection, Accessories sub store, Maintenance room & Office.

Rooftop: 100% vacant.

Building-2 (single storied): Boiler, Generator, Compressor and Fire command Room.

Building-3 (single storied): Security room and Fire command room.

Shed 1: Security Office, Fire Control Room and ATM Booth.

Shed 2: Fire Pump Room.

The facility buildings are constructed for industrial purpose. The facility does not have any dormitory for its employees.

Special building type: NA

A2. PRODUCTION INFORMATION

Products manufactured/ Services provided:	Readymade Garment (All kinds of knit item).	Time record system(s) used:	Swipe Card system
Production process/ Service elements:	Cutting, sewing, finishing and packing.	Chemicals or hazardous materials on-site:	Yes Diesel, Machine oil, Lubricant and spot lifter.
Production capacity a week:	325000 Pieces.	Current production/ Services for client:	No
Total number of machines:	1350		
Main machine types:	Sewing machine (plain, 2 needle, flat lock, feed of the arm, kansai, bar tack), Vertical edge trimmer, Fusing, Button hole, Button attach, Over lock, Heat transfer press, Rib cutter, Metal detector, Cutting machine, Boiler, Generator etc.		
Shifts and Operating hours:	The facility is running in one shift from 08:30 am to 05:30 pm with interval of 1 (one) hour for rest or meal by 02 shifts from 01:00 pm to 02:00 pm. and 01:30 pm to 02:30 pm. The facility is open on Saturday to Thursday. Friday is facility weekly holiday.		

A3. EMPLOYEE INFORMATION

Range of total number of employees at the facility:	1001-5000 employees	Female Employees:	1422
Union name:	None	Male Employees:	766
Employs juvenile workers:	None	Mgmt Employees:	165
Hires through employment agent:	No Facility did not hire any employee through employment agent.	Production (Non-Management) Employees:	2023
Employee nationalities/ provinces:	All employees are local (Bangladeshi).	Local Employees:	2188
		Foreign/Migrant Employees:	0
		Languages spoken in the facility:	Bengali 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 WCA audit for this facility. The facility management showed a very positive attitude to this audit. Facility management was highly cooperative and agreed with the issues raised during the audit. 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. However, few improvement areas were identified during audit as updated employee's nominee form was not found for few employees. Few of identity card were found with missing information. soap for hand wash was not found in few toilets. Machine guard was displaced with few of sewing machine. PPE was not used by few of employees. Waiver certificate / CPP License for the generators was not available. Trade License of the facility has expired.

The facility has few good practices like provide attendance bonus as per company policy; Free Friday Clinic facility for all the employees and family members; Annual picnic and cultural program.

Emergency Preparedness Summary

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

1. Mr. Pabitra Hawlader 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 04 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: 35 CO2 type fire extinguisher, 337 ABC type fire extinguisher, 03 Foam type fire extinguishers, 42 hose pipe, 36 fire alarm switch, PA system 46, lock cutter 18, fire bitter 42, fire hook 44, fire helmet 58, fire shovel 25, Gas mask 90, fire blanket 57, hand gloves 78 pair, stretcher 23, first aid box 24.
6. Emergency lights with IPS support were found installed in production floor and exits.
7. Record for emergency evacuation drill was kept as per law.
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 extinguisher. Fire fighter was identified by yellow color uniform.
9. The facility formed Health and Safety committee as required by law.
10. Facility has a fire safety team where employees were listed. Among 720 employees were trained from Fire Service and Civil Defense Authority regarding fire safety. Last internal training was conducted on 30 June 2019. Fire Safety Officer provides and 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 building.
13. Generator and boiler are situated at separate building.
14. Periodic internal audit conducted by the facility management.
15. Periodic risk assessment conducted by the facility management.

A6. AUDIT PROCESS

Audit pay period provided for review

Records	From	To
12 Months Payroll	01-07-2018	30-06-2019
12 Months Attendance	01-07-2018	30-06-2019

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	01-06-2019	30-06-2019	No	30
Period 1	01-01-2019	31-01-2019	No	10
Period 2	01-09-2018	30-09-2018	No	10
Total				50

Other records reviewed

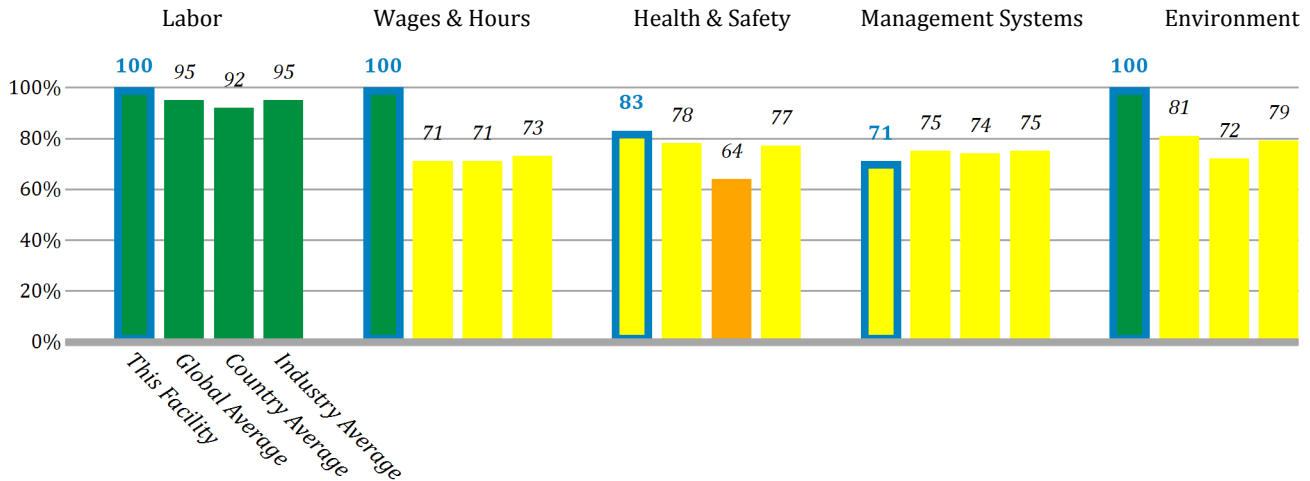
Personnel records
Security log book
Non-Production records
Legal Permits
Employee leave register
Health examination records
Other : All training, policies etc.

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

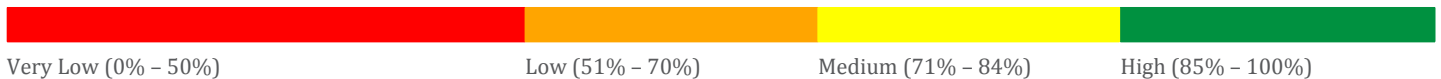


B2. PERFORMANCE TREND ANALYSIS

Section Name	Current (18-Jul-2019)	Last (16-Jul-2018)	First (18-Jul-2017)	Change (Current-Last)	Change (Current-First)
Labor	100	100	100	0 % ▬	0 % ▬
Wages & Hours	100	100	100	0 % ▬	0 % ▬
Health & Safety	83	78	86	6 % ▲	-3 % ▼
Management Systems	71	74	90	-4 % ▼	-21 % ▼
Environment	100	100	100	0 % ▬	0 % ▬
Overall Score	86	85	92	1 % ▲	-6 % ▼

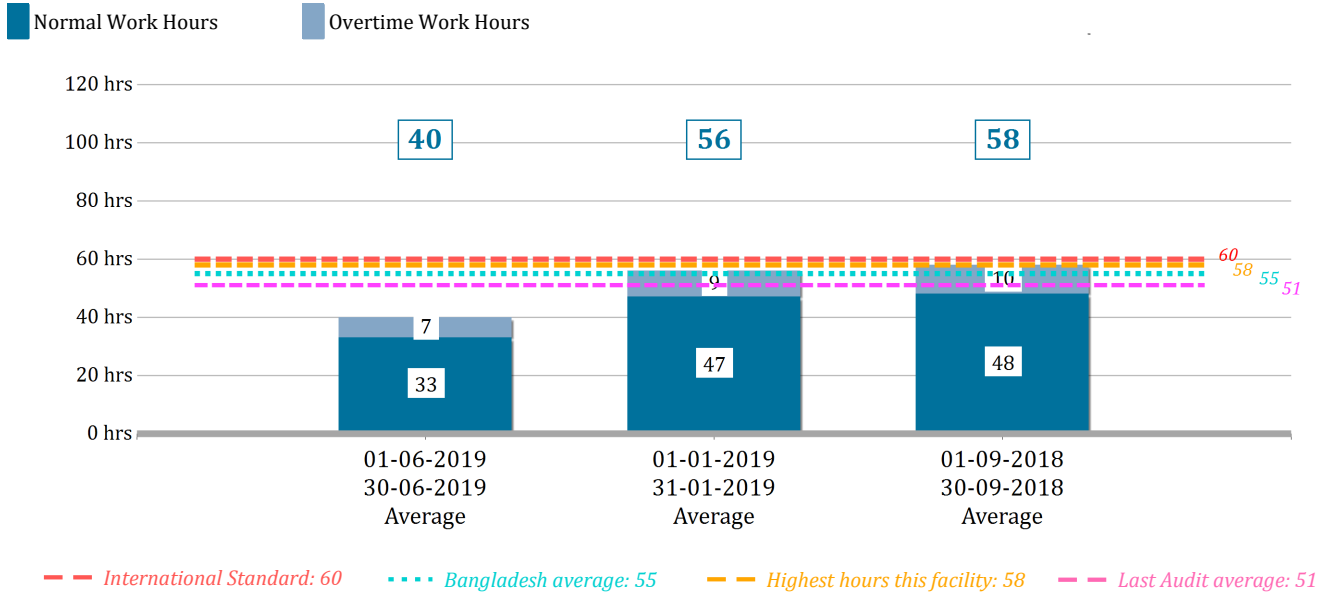
▲ Advancers ▬ Constant ▼ Decliner

PERFORMANCE RATING

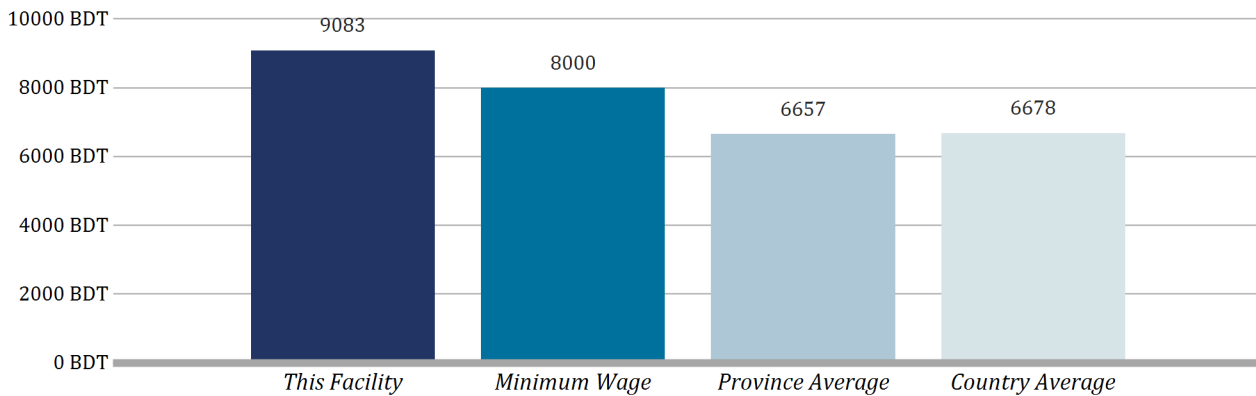


B3. WORKING HOURS AND WAGES

Average total hours worked weekly



Average wages paid in local currency (BDT)



Special wage circumstances: The Government of Bangladesh has announced pay structure on 24th January 2019 for the workers of the Garment Industries with effect from December 2018 as follows:

Grade 01:

Pattern Master: Basic salary Tk. 10440, House rent Tk. 5220, Medical Tk. 600, Conveyance allowance 350, food allowance 900 Total Tk. 17510.00.

Grade 02:

a) Mechanic/ Electrician, b) Cutting master: Basic salary Tk. 8520, House rent Tk.4260, Medical Tk. 600, Conveyance allowance 350, food allowance 900 Total Tk. 14630.00.

Grade 03:

Sample Machinist/Senior Operator: Basic salary Tk. 5160, House rent Tk.2580, Medical Tk. 600, Conveyance allowance 350, food allowance 900, Total Tk.9590.00.

Grade 04:

Sewing machine operator: Basic salary Tk. 4930, House rent Tk. 2465, Medical Tk. 600, Conveyance allowance 350, food allowance 900, Total Tk. 9245.00.

Grade 05:

Junior Sewing machine operator: Basic salary Tk. 4670, House rent Tk.2335, Medical Tk. 600, Conveyance allowance 350, food allowance 900, Total Tk. 8855.00.

Grade 06:

General sewing machine operator: Basic salary Tk. 4370, House rent Tk.2185, Medical Tk.600, Conveyance allowance 350, food allowance 900, Total Tk. 8405.00.

Grade 07:

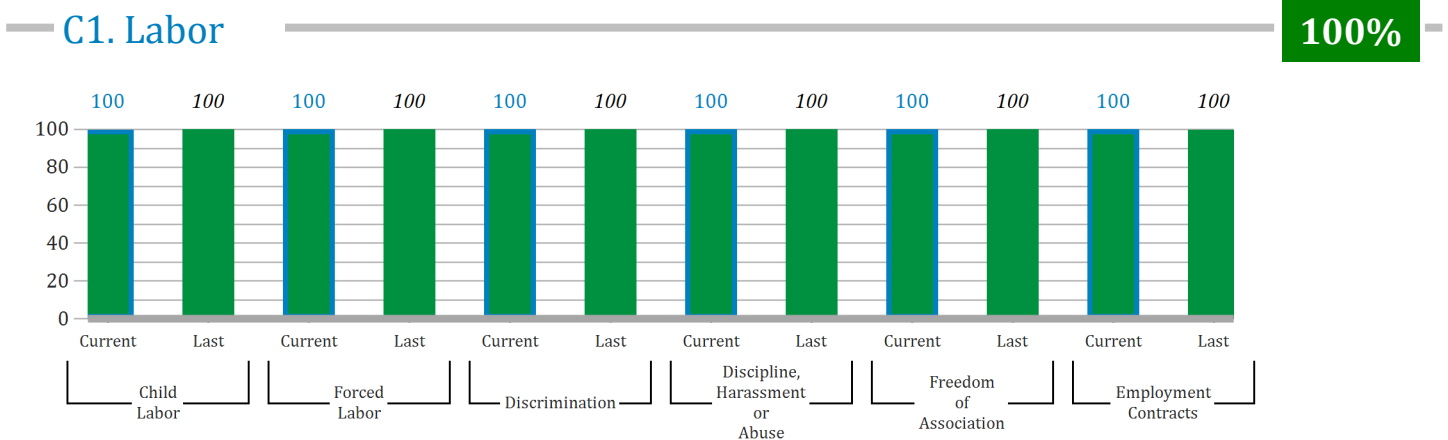
Assistant sewing machine operator: Basic salary Tk.4100, House rent Tk. 2050, Medical Tk. 600, Conveyance allowance350, food allowance 900, Total Tk. 8000.00.

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 shifts 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 with the consent of employees which is starting from 17 April 2019 and valid for 6 months from the declaration date.
- (6) The sample month were June 2019 (current month), January 2019 (random month) and September 2018 (random month) respectively.
- (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 2019 for the month of June 2019.
- (11) Electronic punch card was used for time recording system.

C. PERFORMANCE DETAILS

Current (18-Jul-2019) Last (16-Jul-2018)



Additional Findings

Law:
 In accordance with Bangladesh Labor Rules 2015, Rule 118: Following the description of Form-41, every worker must nominate a person who can receive undisbursed payment and other dues in the absence of him/her, at the time of his/her employment in the workforce. 2) The worker's photo and a photo of the nominated person have to be attached in the nominee form: provided that the worker can change the nominee from time to time following the same procedures.

Findings:
 Based on employee's nominee form review it was noted that, updated employee's nominee form was not found for approximately 10% of employees.

Law:
 In accordance with Bangladesh Labor Rules 2015, Section 19(5): Each owner will provide identity card with the photograph to each worker working in the firm at the costs of the owner as per Form-6.

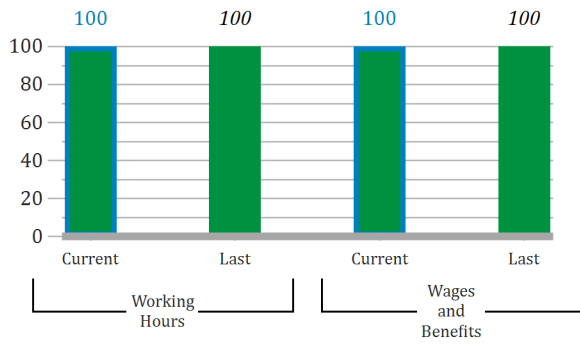
Findings:
 Based on employee identity card review and management interview it was noted that facility provided identity card to all employee. However, around 25% identity card were found with missing information viz. blood group, emergency contact number and national ID number as per local legislation.

PERFORMANCE RATING

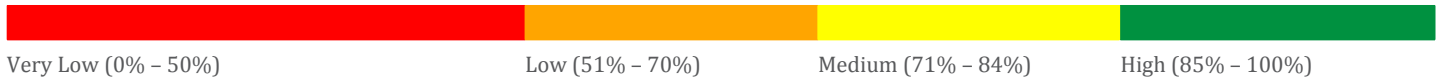


C2. Wages & Hours

100%

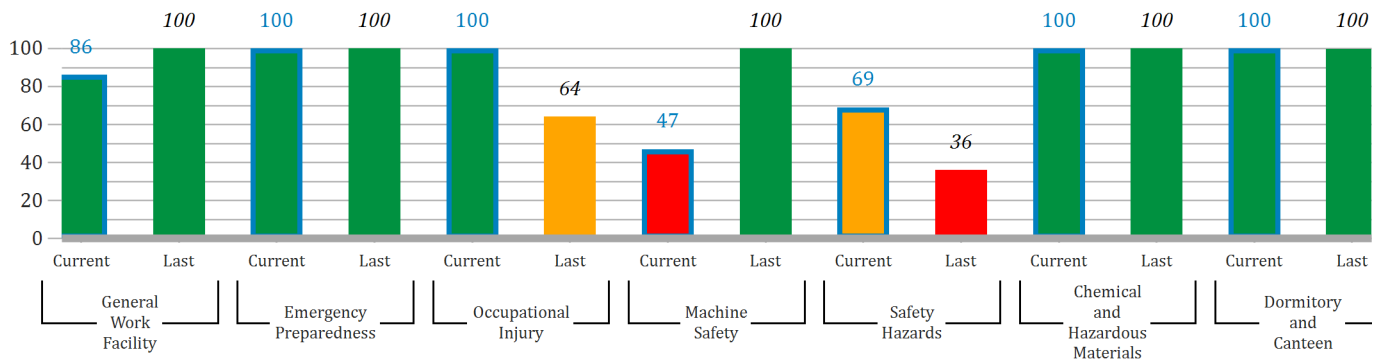


PERFORMANCE RATING



C3. Health & Safety

83%



Sub Section: General Work Facility

Status	Findings	% Global freq of compliance
● Minor	<p>173.00 : Toilets at the facility are not clean and properly stocked with supplies</p> <p>Auditor's comment Based on facility visit it was noted that randomly checked 3 out of 3 toilets found with lack of supplies i.e. soap for hand wash located at 2nd, 4th and 6th floors of building-1.</p> <p>Bangladesh Labour Law 2006, Chapter V, Health Keeping System, Section 59 In every establishment- sufficient latrines and urinals of prescribed types shall be provided conveniently situated and accessible to workers at all times while they are in the establishment; enclosed latrines and urinals shall be provided separately for male and female workers; such latrines and urinals shall be adequately lighted, ventilated and supplied with water all time; all such latrines and urinals shall be maintained in a clean and sanitary condition at all times with suitable detergents or disinfectants or with both;</p>	96%

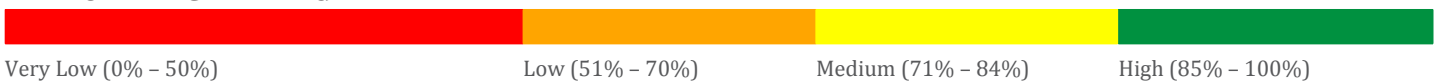
Sub Section: Occupational Injury

Status	Findings	% Global freq of compliance
● Corrected	<p>205.00 : <i>Previous Non-Compliance</i> : First aid kits are not fully stocked with supplies</p> <p>Auditor's comment First aid kits were sufficiently stocked with supplies.</p>	95%

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 facility visit it was noted that needle guard and eye guard was found displaced from its position with approximately 10% of sewing and over lock machine located at 3rd and 4th floors of building-1.</p> <p>Bangladesh Labour Law 2006, Chapter VI, Safety, Section 63 (1)d 3 and Labor Rules 2015, Section 64(2) 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 were 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%

PERFORMANCE RATING



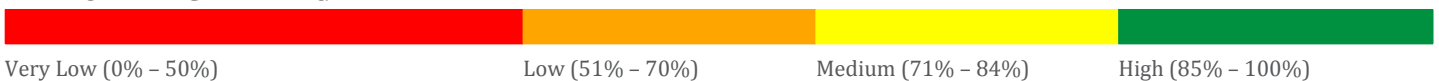
Sub Section: Machine Safety

Status	Findings	% Global freq of compliance
● Moderate	<p>226.00 : The facility does not monitor the employees to ensure personal protective equipment (PPE) required to control machine safety hazards is correctly used</p> <p>Auditor's comment Based on facility visit it was noted that, a) Face mask was not used by approximately 10% employees during work in sewing section located at 3rd floor of building-1. b) Required hand gloves was not used by randomly checked 5 out of 5 employees of snap label (heat) cutting machine in sewing section located at 2nd, 4th and 6th floors of building-1.</p> <p>In accordance with Bangladesh Labor Rules 2015, Section 67(1-3)</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

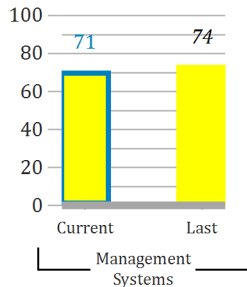
Status	Findings	% Global freq of compliance
● Moderate	<p>232.00 : Special appliances such as boilers, unfired pressure vessels, and furnaces have not been registered and affixed with a registration certification</p> <p>Auditor's comment Based on facility's visit, documents review and management interview it was noted that, facility has 03 generators with capacity of (824 + 264 + 10) 1098 KW but facility has no waiver certificate / Captive Power Plan (CPP) License for the generators. Noted that, facility has already applied to Bangladesh Energy Regulatory Commission dated on 14 October 2018 for CPP license but not received.</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>	85%
● Corrected	<p>240.00 : <i>Previous Non-Compliance</i> : 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 Fire License of the audited facility was found updated and covered all the areas.</p>	73%

PERFORMANCE RATING



C4. Management Systems

71%



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 license review and management interview it was noted that, Trade License of the facility has expired on 30 June 2019. Note that, as per management declaration they have applied to concern authority to renew the trade license but couldn't show the applied copy during audit day.</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>296.03 : 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 Based on the facility policy, document review and management interview, the facility has comprehensive processes and procedures in a written manual to support the implementation of forced labor, freedom of association, discipline, harassment, abuse but there findings noted about a) ID card. b) Employee's nominee form.</p>	81%
● Corrected	<p>296.04 : <i>Previous Non-Compliance</i> : 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. Moreover, printed copy of leave book provided to the employees.</p>	48%

PERFORMANCE RATING

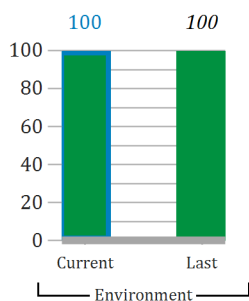


Sub Section: Management Systems

Status	Findings	% Global freq of compliance
● Minor	<p>296.05 : 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 the facility policy, document review and management interview, the facility has comprehensive processes and procedures in a written manual to support the implementation of general facility and canteen but there findings noted soap for hand wash was not found for few of toilets at building-1.</p>	76%
● 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 and management interview, the facility has comprehensive processes and procedures in a written manual to support the implementation of employee safety procedure, but they are not being implemented properly as there was findings noted on a) Machine guard was found displaced with few of sewing machine. b) PPE was not used by few of employees. c) Waiver certificate / Captive Power Plan License for generators was not taken.</p>	51%

C5. Environment

100%



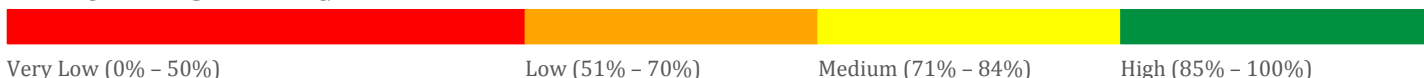
% Global Frequency of Compliance: Represents the implementation percentage performance of all suppliers participating in the WCA Community globally for each issue

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.
- 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%
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%
The facility does not have a valid business license/ registration/ permit to operate	Major	96%
Toilets at the facility are not clean and properly stocked with supplies	Minor	96%
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	85%
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	81%
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.	Minor	76%

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