

Workplace Conditions Assessment Report

Measured Results — Improved Performance



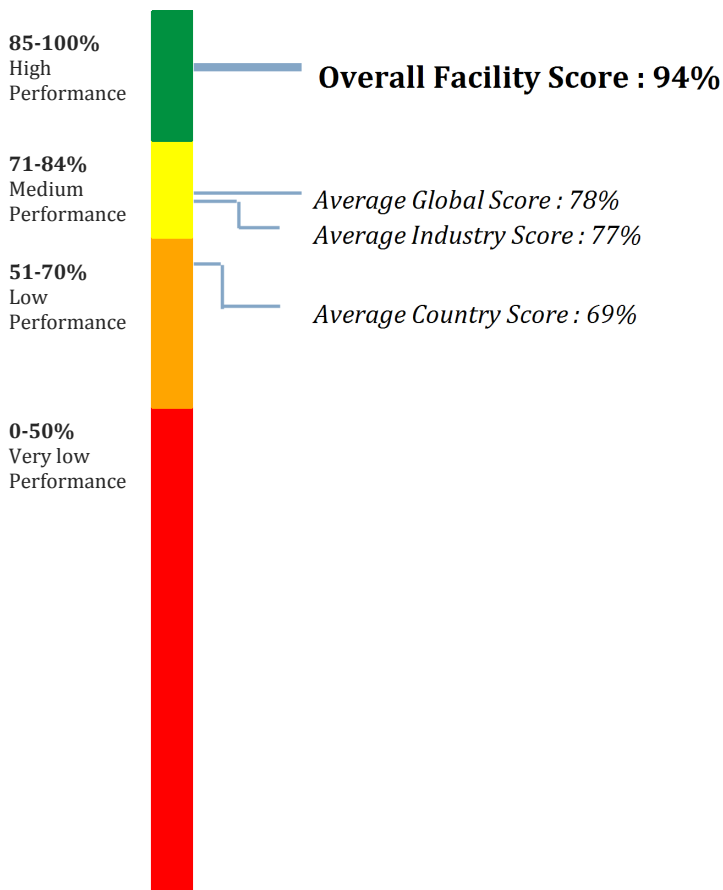
MEDITEX INDUSTRIES LTD.

GENERAL INFORMATION

Overall Facility Score : **94%**

Report No :	F_IAR_16391	City :	Gazipur
Audit Date :	Mar 15, 2016	Country :	Bangladesh
Last Audit :	NA	Auditors :	Primary: Mehrab Hossain
Assessment Stage :	Annual		Secondary: Fatema Johora, Mahmuda Khanom
Schedule Type :	Announced	Service Provider:	Intertek

WORKPLACE PERFORMANCE INDEX AND SUMMARY Participating facilities: 19577



Assessment area	Score results	Number of non-compliances by rating				
		Zero Tolerance	Major	Moderate	Minor	Notscored
Overall	94%	-	-	2	2	-
Labor	100%	-	-	-	-	-
Wages & Hours	100%	-	-	-	-	-
Health & Safety	89%	-	-	2	-	-
Management Systems	93%	-	-	-	2	-
Environment	100%	-	-	-	-	-

A. FACILITY PROFILE

A1. FACILITY INFORMATION

Facility Name:	Meditex Industries Ltd.	Facility Legal Status:	Privately owned
Facility Legal Name:	Meditex Industries Ltd.	Year facility began operations:	1993
Audit Location:	Plot-912, Kashimpur Road, Konabari, Gazipur, Bangladesh, 1700	Located in special economic zone:	No
City:	Gazipur	Person responsible for overall social compliance issues:	Mr. S.M. Salahuddin, Asst. General Manager (Admin, HR & Compliance)
Country:	Bangladesh	Valid certificate for social compliance certification program:	None
Contact Name:	Mr. S.M. Salahuddin	Vendor Name:	GSCM HK Limited.
Contact Title:	Asst. General Manager (Admin, HR & Compliance)	Security systems in place:	<i>Yes The premises security and the guards are posted at entrance and back side of the premises. However all security system have been controlled by CCTV.</i>
Industry:	Apparel		
Building Description:	<p>There are 4 six storied buildings but all the floors have been merged with each other. Also 2 one storied building and 4 sheds were found in the premises. Details floor layout plan mentioned here –</p> <p>Building (Merged floor of 4 building). Ground floor - Washing section, winding, mending section, yarn store, finished goods store, jacquard section, accessories store, doctor room, child care and office. 1st floor: Sewing section, finishing section, PQC, light check, packing section & office; 2nd floor: Linking section, over lock, trimming section, mending section, bar tack and office, Zipper section. 3rd floor: Design section, knitting section, collar section, zipper & office. 4th floor: Knitting section; 5th floor: Knitting section and dining area. Building 2 (1 storied): Chemical store. Building 3 (1 storied): Generator room. Shed 1 - Boiler room. Shed 2 - Maintenance room.</p> <p>All building and sheds are made by facility owner. No separate entry was found in this premises. From the beginning buildings are used for industrial purpose. Facility took its construction approval from legal authority.</p>		
Special building type:	None NA		

A2. PRODUCTION INFORMATION

Products manufactured/ Services provided:	Sweaters	Time record system(s) used:	Manual / written record
Production process/ Service elements:	Knitting, Linking, Mending, Trimming, Finishing, Packing.	Chemicals or hazardous materials on-site:	Yes <i>Silicon softener, Acetone Thinner, spot lifter 833</i>
Production capacity a week:	57500 pcs	Current production/ Services for client:	No
Total number of machines:	1700 set		
Main machine types:	Jacquard, Knitting, Linking, sewing, Button hole, Button stitch, Flat lock, Metal Detector, washing, dryer, etc.		
Shifts and Operating hours:	Facility has 1 shift for working 8:00 am to 5:00 pm with 1 hour lunch break from 1:00 pm to 2:00 pm. The employees work 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:	891
Union name:	None	Male Employees:	1406
Employs juvenile workers:	None	Mgmt Employees:	250
Hires through employment agent:	<i>No Facility did not hire any employee through employment agent.</i>	Production (Non- Management) Employees:	2047
Employee nationalities/ provinces:	All are Bangladeshi.	Local Employees:	2297
		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 audit at Meditex Industries Ltd. The facility is situated at Konabari, Nilnagar, Joydebpur, Gazipur. The facility is located in an area where similar type of some other garment industries was found available in the area. The facility started its operation since January 1993. Land area of the facility is approximately 30000 square feet and floor is 134000 square feet. Production processes are of the facility Knitting, Linking, Mending, Trimming, Finishing, and Packing. There are 4 six storied buildings but all the floors have been merged with each other's. Also 2 one storied building and 4 sheds were found in the premises. Facility has 2297 employees. Facility has 891 female and 1406 male employees. Management employee's number is 250. Shift details describe in relevant section. Facility has peak season April to September work. 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

Mr. Masud Alam plays the role of safety officer in the facility. There are 4 stairs in the production buildings. Facility has assembly point in front of facility building with sufficient space to serve all the employees. There are sufficient fire alarm call points, evacuation plan installed throughout the facility. Safety or awareness posters, no smoking sign, emergency number etc. were found posted in production floor. Facility has the following fire equipment's: 322 fire extinguishers (245 ABC type, 77 CO2 type) 20 fire hose, 12 water drums, 34 water bucket, 36 fire call point, 44 fire bitter, 66 gas mask, 44 fire blanket, 11 stretcher, 22 first aid boxes, 108 emergency light, helmet 25, fire hook 44, gumboot 12 set. Rooftop is fully vacant. Emergency lights with IPS support were found installed in production floor and stair cases. Facility conducts monthly fire drill; whereas last drill conducted on 24 February 2016 with 2160 attended employees and it took 2 minutes 36 seconds to evacuate employees from their respective work station to assembly point. Facility has a valid medical agreement with Haque Medicare Center Ltd for emergency cases. Facility Health and safety committee consists of 10 members and last Health and safety committee meeting conducted on 24 February 2016. Facility has 625 firefighters. Among of them 480 are certified by fire service & civil defense and rest of them are certified by BGMEA.

A6. AUDIT PROCESS

Audit pay period provided for review

Records	From	To
12 Months Payroll	01-03-2015	29-02-2016
12 Months Attendance	01-03-2015	29-02-2016
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	01-02-2016	29-02-2016	No	30
Period 1	01-06-2015	30-06-2015	Yes	10
Period 2	01-10-2015	31-10-2015	No	10
Total				50

Other records reviewed

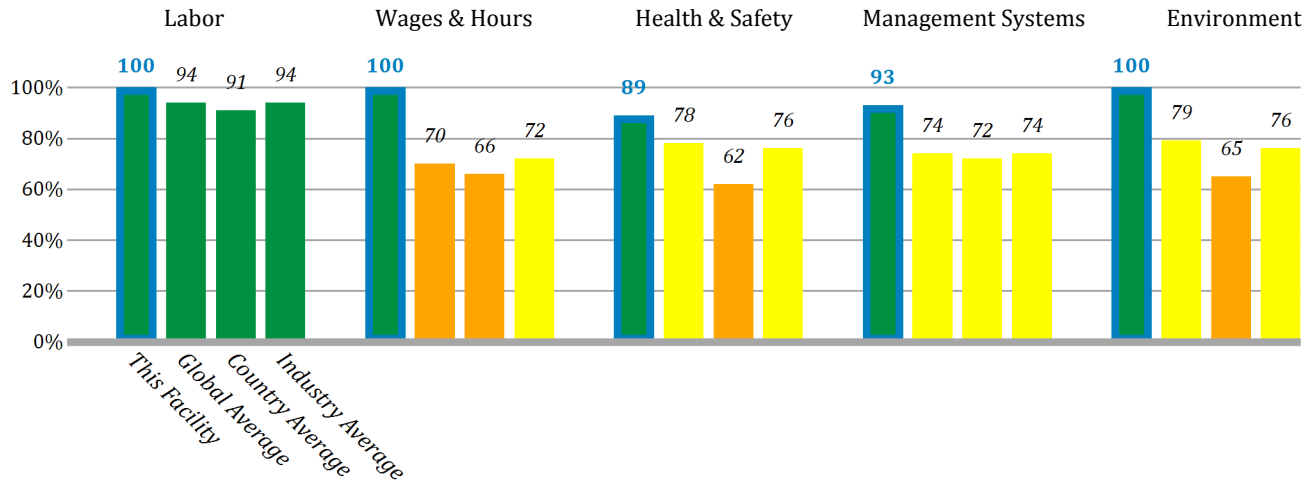
Personnel records
Production records
Employment contracts
Social insurance documentation
Infirmary logs
Other : All policy

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

B. KEY PERFORMANCE METRICS

B1. COMPARISON BENCHMARK

Current performance — Global average, Bangladesh average, Apparel average

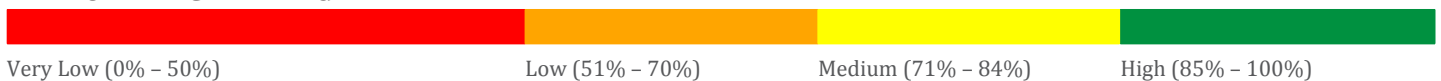


B2. PERFORMANCE TREND ANALYSIS

Section Name	Current (15-Mar-2016)	Last (Not Applicable)	First (Not Applicable)	Change (Current-Last)	Change (Current-First)
Labor	100	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Wages & Hours	100	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Health & Safety	89	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Management Systems	93	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Environment	100	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Overall Score	94	Not Applicable	Not Applicable	Not Applicable	Not Applicable

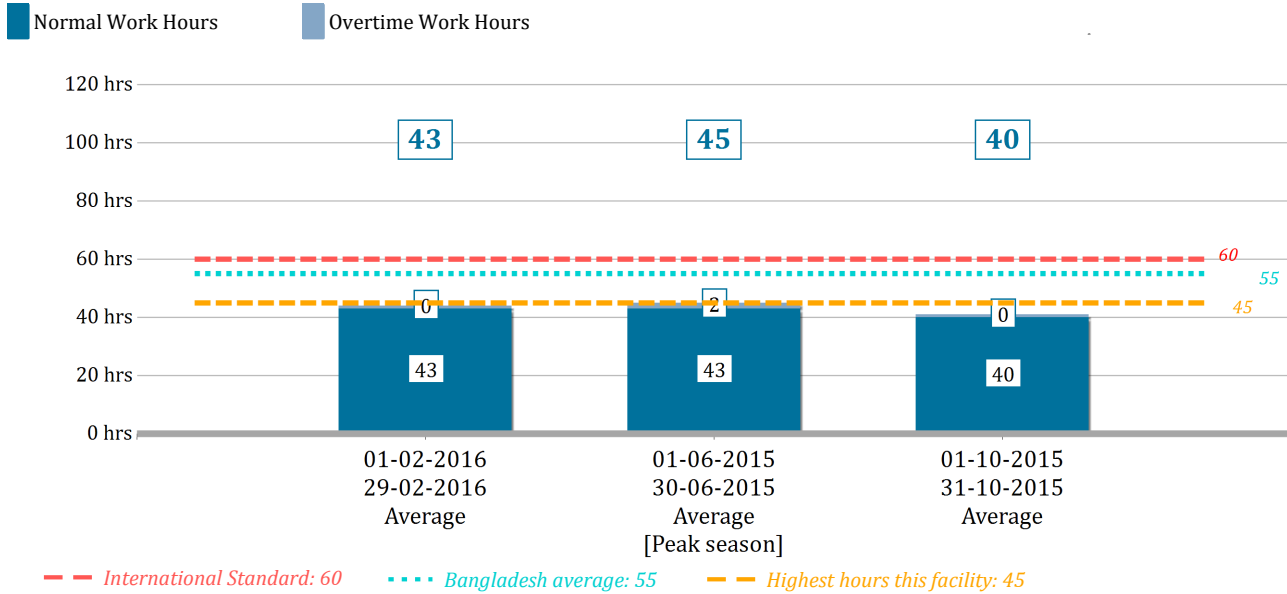
▲ Advancers ■ Constant ▼ Decliner

PERFORMANCE RATING

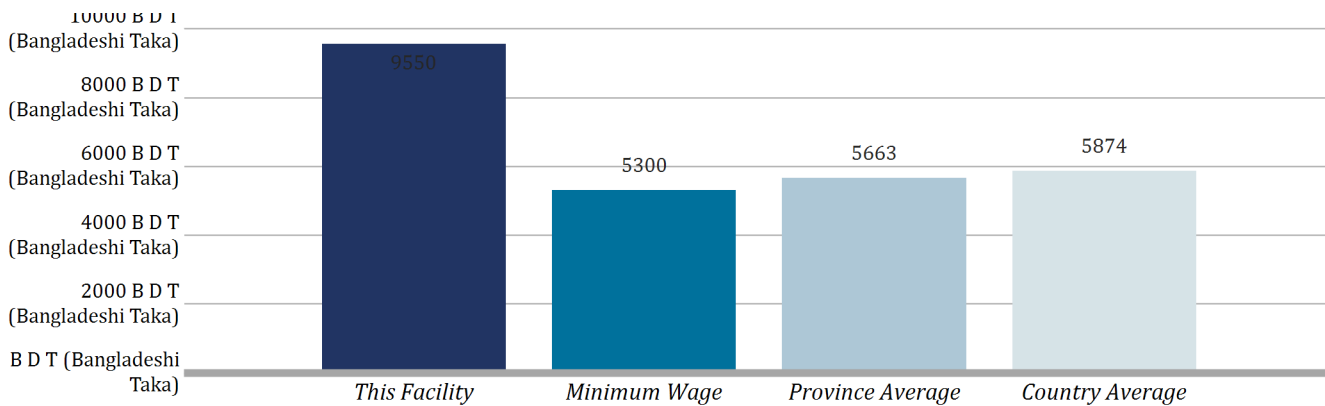


B3. WORKING HOURS AND WAGES

Average total hours worked weekly



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



Special wage circumstances:



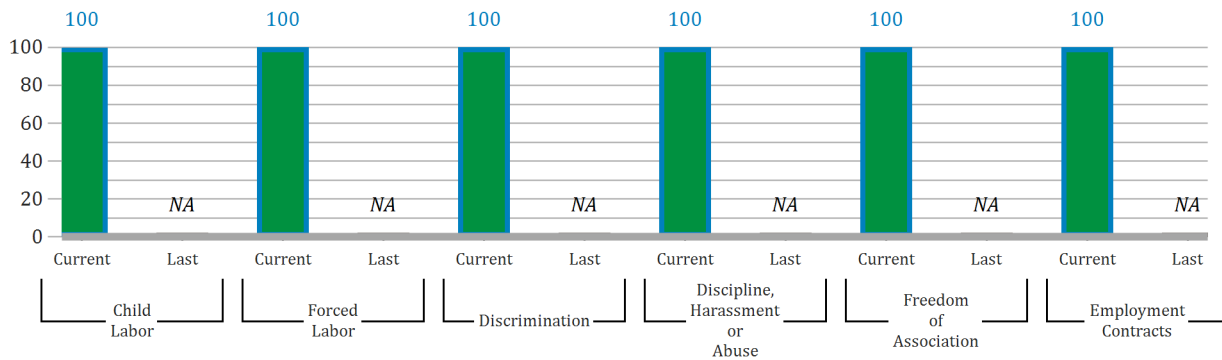
- Wages and hours summary:** Based on employee's time card, salary sheet review and employees & management interview, it was noted that:
- (1) Facility has 1 shift for working 8:00 am to 5:00 pm with 1 hour lunch break from 1:00 pm to 2:00 pm.
 - (2) The facility remains open Saturday to Thursday and 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.
 - (5) Facility has working hour policy and social benefits policy where facility mentioned working hours should be maintain as per local law. Note as per government gazette notification regarding working hours a 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 April 2016.
 - (6) Average working hour (Regular) were found 43.06, 42.48 and 40 hours in the sample three months February, 2016 (current month), October, 2015 (off peak month) and June, 2015 (peak month) respectively.
 - Weekly average overtime hours were found 0, 2.3 and 0 hours in the three sample month February, 2016 (current month), October, 2015 (off peak month) and Jun, 2015 (peak month) respectively.
 - (7) Employees provides festival bonus.
 - (8) Facility provides maternity benefits to employees as per law who are entitled for maternity benefits.
 - (9) Facility is providing yearly increment as per gazette published on 23 December, 2013 and Facility group insurance was found updated.
 - (10) All employees are provided pay slip in local languages.
 - (11) Facility employees personal file checking, employment letter was found with legal contract.
 - (12) Facility provides salary of employees by cash.
 - (13) Manual card is used for time recording system.

C. PERFORMANCE DETAILS

Current (15-Mar-2016)

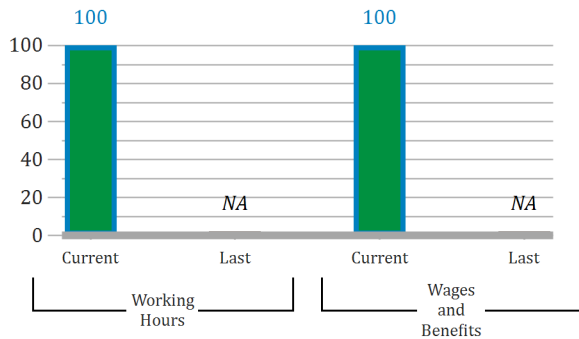
C1. Labor

100%

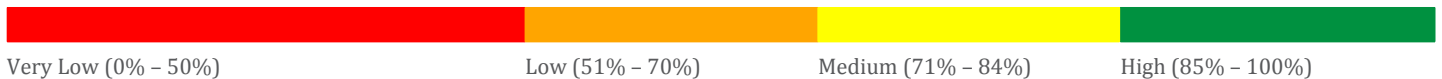


C2. Wages & Hours

100%

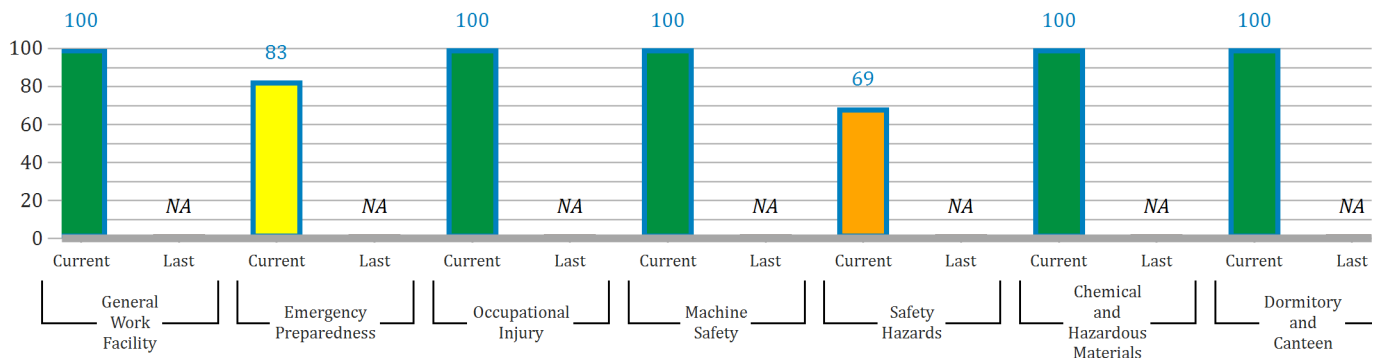


PERFORMANCE RATING



C3. Health & Safety

89%



Sub Section: Emergency Preparedness

Status	Findings	% Global freq of compliance
● Moderate	<p>180.04 : Other fire service equipment required by law is not properly installed throughout the facility and/or regularly maintained</p> <p>Auditor's comment Based on facility tour it was noted that 2 out of 4 stairs are not fire rated by fire door. Installation work is going on. Based on facility tour it was noted that PA (Public Address) systems found missing at sample section of 3rd floor.</p> <p>BNBC 2006, D 18 Command Station. BNBC 2006, Part:4, Section 3.7.5 and 3.7.6. All buildings above 26 m in height shall have a command station on the entrance lobby with suitable public address system having communication to all floors as well as facilities to receive messages from all floors. All exits access to corridor shall have a fire resistance of 1 hour or more. Door assemblies opening on to the exit access corridors shall be fire doors having a fire resistance rating of at least of 20 minutes.</p>	92%

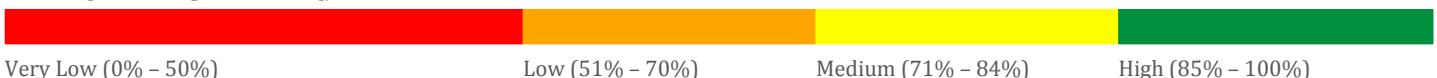
Sub Section: Safety Hazards

Status	Findings	% Global freq of compliance
● Moderate	<p>239.00 : The facility does not operate in a building matched to its authorized purpose</p> <p>Auditor's comment Based on facility tour it was noted that existing floor does not match with floor layout plan approved by inspector of factories (Ministry of Bangladesh). Floor layout plan shows knitting section at 5th floor but existing floor shows it is used as finished goods storage.</p> <p>Bangladesh Labour Law Amendment 2013, Section: 326 (1), The Government may- (a) require that previous permission in writing be obtained in the prescribed manner from the chief Inspector for the construction or extension of any factory or class of factories; "Provided that in that case no deviation or change shall be made between the factory layout plan and structural design approved by the authority;"</p>	91%

Additional Findings

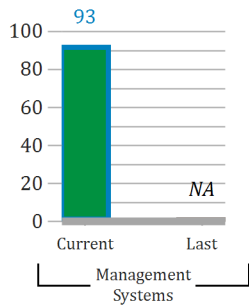
Based on facility tour it was noted that aisles mark was faded at different places of knitting section in 3rd & 4th floor and 1 out of 2 aisles mark found faded at 1st floor (packing section, Iron section).
In accordance with Bangladesh Labor Law 2006, Section 72(b):
72(b): Floors, stairs and means of access:
In every establishment -
(b) There shall, so far as is reasonably practicable, be provided and maintained safe means of access to every place at which any person is, at any time, required to work.

PERFORMANCE RATING



C4. Management Systems

93%

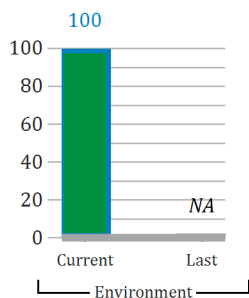


Sub Section: Management Systems

Status	Findings	% Global freq of compliance
● 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 Based on document review, facility visit, employee and management interview, the facility has comprehensive processes and procedures in a written manual to support the implementation of the emergency preparedness procedures but all those are not implemented as fire door found missing at 2 out of 4 stairs and PA systems found missing.</p>	73%
● 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 the employee safety procedure like occupational injury, machine safety and safety hazards but all those are not implemented as floor layout plan does not match with existing floor.</p>	64%

C5. Environment

100%



PERFORMANCE RATING

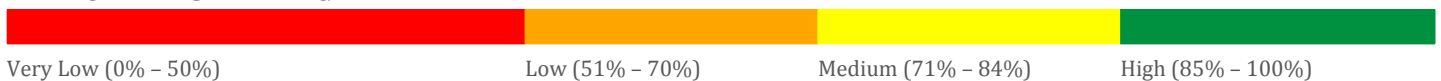


% Global Frequency of Compliance:	Represents the implementation percentage performance of all suppliers participating in the WCA Community globally for each issue
Identification numbers:	Represents the finding ID associated with each checklist question

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	52%
Total working hours during the period specified by the waiver are within allowable limits under the waiver.	Moderate	56%
The facility provides social security, pensions, healthcare and/ or other insurance to employees as per legal requirement.	Moderate	59%

Challenges: Facility performance ranks in the bottom percentile of the population	Rating	Global Freq. of Compliance%
Other fire service equipment required by law is not properly installed throughout the facility and/or regularly maintained	Moderate	92%
The facility does not operate in a building matched to its authorized purpose	Moderate	91%
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	73%
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	Minor	64%

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