



BetterWork

An Industry And Compliance Review

Bangladesh

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Executive Summary

The Ready-Made Garment (RMG) industry in Bangladesh has witnessed tremendous growth over the past four decades, playing a major role in industrialisation, employment creation, poverty alleviation and the empowerment of women in the country. Today, the garment industry is serving as the base of the country's development, accounting for 83.5 per cent of total export revenue. The apparel industry emerged at a time when Bangladesh looked to begin a new phase of economic emancipation and prosperity with its limited natural and industrial resources. Bangladesh started its journey in 1978 with exports valued at USD 12,000. In 2018, it reached USD 30.6 billion in exports, making Bangladesh the second largest apparel exporting country in the world (behind China). The industry employs 4 million people, of whom 54 per cent are women, and contributes more than 13 per cent to GDP. Bangladesh has set a target to achieve exports of USD 50 billion by 2021. However, there are significant challenges to the apparel industry in Bangladesh achieving its potential as a driver of development and prosperity.

The Better Work Bangladesh programme – a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank group – aims to boost the competitiveness of the garment industry by improving compliance with Bangladesh's labour law and the ILO's core labour standards, leading to better working conditions and enhanced economic performance at the enterprise level. The programme was established in Bangladesh in 2014 and began offering in-factory services from 2015.

This, Better Work Bangladesh's first Industry and Compliance Review, covers 200 factory assessments conducted between June 2015 and December 2018 and provides an overview of the noncompliance findings in factories enrolled with the programme. The data collected measures non-compliance in eight labour standard clusters: four based on ILO core la-

bour standards regarding child labour, discrimination, forced labour, and freedom of association and collective bargaining; and four based on Bangladesh's labour law relating to compensation, contracts and human resources, occupational safety and health, and working time.

It is worth noting that for all Better Work country programmes, non-compliance has been initially concerning in the early stages of the programme's engagement with factories, particularly in the areas of occupational safety and health, contracts and working time. The positive evolution of those rates over time as a result of participation in Better Work is evident in other Better Work country programmes, as well as in Better Work Bangladesh factories where non-compliance has decreased in factories who have continued to engage with the programme past the first cycle. An important example of this is related to supporting functional Participation Committees – one of the cornerstones of our approach in factories. By December 2018, a total of 105 Participation Committees had been legitimately formed, and in factories who were still engaged in the Better Work Programme by cycle 4, we saw a difference in non-compliance from 100 per cent of these factories who did not have a fully functioning Participation Committee in cycle 1 to 30 per cent who did have a fully functioning Participation Committee in cycle 4. In cycle 4 factories we also saw non-compliance related to minimum wage improve from 60 per cent non-compliance in cycle 1 to 10 percent non-compliance in cycle 4. There were similar trends in relation to working time – a notoriously difficult issue to resolve in the garment sector – where the average non-compliance rate relating to leave was reduced from 26 per cent in cycle 1 to 17 per cent in cycle 3. Non-compliance around the storage of chemical and hazardous substances was also reduced in cycle 4 factories (from 70 per cent non-compliance in cycle 1 factories to 40 per cent non-compliance in cycle 4 factories). This positive trend will be increas-

ingly visible in other clusters as factories progress over time.

The data in this report is based on the most recent assessment carried out in each factory. Non-compliance issues that factories have resolved, according to their latest assessment report, are not included. Also, the 2013 declared minimum wage was used to consider compliance on relevant pay issues until December 2018, after which the new minimum wage was taken into account. Similarly, compliance measurements recognised the latest amendments made to the Bangladesh Labour Act (2006) which came into effect in November 2018. Prior to November 2018, relevant amendments from 2013 were used.

ABOUT BETTER WORK BANGLADESH

Better Work Bangladesh (BWB) is working to shape the Bangladesh garment sector's future development using practical, tried-and-tested methods to address persistent challenges that threaten to limit the industry—and the country's—potential and reputation. We work with factories through our core services which include assessments, advisory and training. The Better Work assessment is a crucial component of our programme, as it allows us to identify issues that put workers and factories at risk. However, our research has shown that it is our assessments, combined with advisory and training, which truly change the dynamic in factories. BWB's advisory and training services facilitate social dialogue between workers and management, and lay the ground work for factories to voluntarily implement systems that will create sustainable and long-term improvement in labour compliance and productivity.



220
Factories



485K
Workers
Reached



410
Assessment
Visits



2,532
Advisory
Visits



8,247
Training
Participants

The programme

The Better Work Programme aims to improve both compliance with labour standards and competitiveness in global supply chains. It does this, in part, by focusing on building factory-level social dialogue so that management and workers are together better able to prevent, identify and solve problems in the workplace. It also contributes to wider efforts aimed at improving the labour regulatory, labour administration and social dialogue framework at the national level. Although not yet implemented in the BWB programme, transparency and public disclosure of working conditions on individual factory floors is an important tool for the programme. Other Better Work programmes have noted that transparency in factories has seen a marked decrease of non-compliance on key legal requirements, improved business outcomes for factories, and has also proven to be an incentive for an increasing number of brands to source from these factories².

After amendments to the Bangladesh Labour Act (BLA) in July 2013, BWB was officially launched in October 2013 as one of the five components of the ILO's Improving Working Conditions Programme in the RMG Sector (RMGP). However, the absence of implementation rules for the BLA delayed the ability of the Programme to become fully operational. Though BWB started factory registration from November 2014, assessment services only began in June 2015 and their publication started after the adoption of Bangladesh Labour Rules in September 2015.

The tripartite, national level Better Work Project Advisory Committee (BAC)³ for the 'Improving Working Conditions of the Ready-Made Garment Sector' in Bangladesh has closely monitored and guided the programme to ensure the effective implementation of Better Work.

Better Work Core Services

Assessment- Better Work's Compliance Assessment Tool ('CAT') is used by BWB Enterprise Advisors ('EAs') to assess compliance with core international labour standards and national legislation. The CAT establishes a benchmark based on international standards and good practices. Enterprise assessments are conducted annually and form the basis of a comprehensive improvement plan for each factory.

BWB staff are constantly keeping abreast of existing legislation, national and international standards, and technical requirements through frequent training, guidelines and alignment sessions.

Advisory- Factories are supported through tailored factory visits (up to eight per year), and coaching of the factory to create or work with worker/management Participation Committees ('PC') to discuss and resolve workplace issues on a regular basis. During the advisory visits, we assist the factory to address these issues and provide assistance to develop and maintain management systems and standard operating procedures.

Training- Alongside our advisory services, BWB offers a series of training courses appropriate to the factory's specific needs.

Our guiding principles

The Better Work service model is rooted in four key themes: Ownership, Partnership, Accountability and Dialogue.

- ◆ **Ownership** means that each factory improvement process takes into account the views of the women and men working in the factory (a combination of worker-management including relevant persons from different sections) regarding what is important in the workplace to them and how they can bring about sustainable change.
- ◆ By promoting **dialogue** in factories, we empower management and worker representatives to identify their needs and improve their working relationships, as a basis for effective prevention and remediation of problems.
- ◆ While engaging with factories we also build **partnerships** with other industry stakeholders, to capitalize on their efforts and strengthen their roles.
- ◆ Finally, **accountability** is essential to ensure that needed improvements are implemented and to bolster the reputation of the industry among consumers and other stakeholders

Our Work with Brands

Globally, and at country level, Better Work engages with brands and retailers through a number of channels, including regular Business Forums – where they have the chance to network with each other – and with national and international stakeholders including unions, governments, employers’ organizations and NGOs. Brands and retailers also have the unique opportunity to hear directly from factories and workers on how to work together to transform the industry for the better. Recognising the role brands and retailers play in improving factory working conditions, BWB works closely with brands to ensure responsibility for improved working conditions is shared, and that support for the garment sector in improving working conditions also lies with the brands sourcing from Bangladesh. This includes reducing audit duplication, improving purchasing practices, and importantly encouraging transparency in factories by not rating factories or reducing order sizes when non-compliances occur, but instead encouraging and working with the factory to resolve and get to the root cause of the issues in hand, recognising that pressure to too quickly resolve or to “close” non-compliance issues can result in only a short term solution to what are very often complex and ingrained issues.

Compliance

Better Work calculates non-compliance rates for each factory and reports these in individual factory reports. The non-compliance rate is reported for each subcategory, or compliance point, within a cluster. A compliance point is reported to be non-compliant if one question within it is found non-compliant.

While it looks like a strict indicator, the non-compliance rate is useful for Better Work to aggregate and compare data across countries. However, this number is not sufficient to fully describe the specific issues that Enterprise Advisors (EAs) have observed during their assessments. For this reason, tables highlighting key non-compliance findings at the question level are also presented in Section II with the title of ‘In Focus’ tables. These tables, showing the number of factories found to be non-compliant based on each specific question, allow the reader to fully appreciate the specific challenges identified in

factory assessments under particular compliance points.

It is important to note that some issues covered in BWB’s assessment can be difficult to assess and verify independently. This includes sexual harassment and freedom of association. Getting enough evidence to determine violations can be challenging due to a range of reasons, including the sensitive nature of the issues and the reluctance of workers to report such incidents. In complement to assessment, our advisory services and training programmes focus on addressing and getting to the heart of these sector wide issues. Due to the nature of assessment and the difficulty in proving these issues, BWB puts a strong emphasis on building factory capacity to equip them to understand, prevent and address issues before they arise. BWB Enterprise Advisors and Training Officers are highly skilled in identifying the red flags and have also invested in building a partnership with factories which enables them to proactively reach out for help, share issues and seek input. The programme works to resolve these issues often on a case-by-case basis, where necessary, while also continuing to address the root cause of non-compliances through developing and rolling out needs based projects, training and initiatives with our partners in the sector. This emphasis on partnership, transparency, dialogue and accountability is what ultimately sets the approach apart from the more traditional auditing model, instead working with the factory to ensure the actions they take to address issues are sustainable.

BETTER WORK BANGLADESH NON-COMPLIANCE RATES IN CONTEXT

The relatively high non-compliance rates on some key labour standards detailed in this report should be seen as a reflection of both the programme’s stringent assessments and its newness to Bangladesh. However, comparing aggregate non-compliance rates in Cycle 1 factories across Better Work Haiti, Indonesia, Jordan, Nicaragua and Vietnam shows that **BWB’s non-compliance rates are not out of line with other Better Work Country Programmes at a similar stage of engagement, and that these tend to decrease after a few cycles of engagement.** This is highlighted later in the report (see Section II: Findings on p. 13 onwards)

Section I: Introduction and Institutional Context

1.1 INDUSTRY OVERVIEW

The extensive growth of the RMG industry in Bangladesh over the past four decades has played a great role in the country's economic and social development. It is by far the biggest contributor to Bangladesh's export earnings, it is also the sector that is creating formal employment to a large and vulnerable group of mostly young Bangladeshis with very little other job alternatives. These workers not only earn income to maintain their own lives, but can also support the lives of their families, including ensuring better education and health for the next generation.

After the collapse of the Rana Plaza building in Savar, Dhaka in 2013 – which claimed an estimated 1,136 lives – the RMG sector in Bangladesh became the focus of worldwide attention. There was widespread recognition of the need for rapid action on the part of the Government of Bangladesh, brands exporting from the country, as well as the RMG factory owners and their associations to ensure safer workplaces for the workers.

The International Labour Organization (ILO) responded swiftly and, in consultation with its tripartite constituents, provided technical assistance in the development of the National Tripartite Plan of Action on Building and Fire Safety in the Ready-Made Garment Sector in Bangladesh (the National Tripartite Plan of Action or 'NAP'). A High-level Tripartite Committee was tasked with implementing the NAP. The EU's trade relations with Bangladesh and the importance of the RMG industry to the country's development gave the EU – as Bangladesh's largest export market of RMGs – a compelling motivation to respond to issues within the sector. Therefore, together with Bangladesh, the US and the ILO, later joined by Canada, the EU launched the Sustainability Compact in July 2013⁴.

The Compact signalled the willingness of the Government of Bangladesh to bring about necessary changes

in the RMG sector in both the short- and long-term. In the short-term, Bangladesh needed to ensure immediate action be taken to prevent further building collapses or fire incidents, and in the long term, improve legislation, capacity and regulation of working conditions, as well as the effective implementation and enforcement of legislation.

1.2 AMENDMENT OF BANGLADESH LABOUR LAW AND BANGLADESH LABOUR RULES

On 22 July 2013, the country adopted amendments to the 2006 Bangladesh Labour Act (BLA). These changes improved occupational safety and health standards by, among other steps, providing for the establishment of Occupational Safety and Health Committees.

The amended law also allowed workers and employers to consult with external experts for advice during collective bargaining at the enterprise level. The process of forming Participation Committees (PCs) was enhanced by specifying that worker representatives on such Committees must be elected by workers rather than selected (e.g. by employers).⁵ Furthermore, workers were allowed to elect 10 per cent of their trade union officials for their union's executive committees from outside the workplace, if the members of the trade unions so wished. However, a number of significant concerns relating to freedom of association, discrimination and other issues remained following the amendment.

More recently (November, 2018), the Bangladesh government approved further amendments to the Bangladesh Labour Act 2006. Under the revised law, workers' participation required to form a trade union at a factory was reduced to 20 per cent from the previous 30 per cent requirement. This change along with others changes relating to the registration process of trade unions, employment conditions for disabled

workers, and maternity protection, etc. will be taken into account in future assessments.

Tackling the complex challenges around OSH in the sector requires regular coordination between BWB, the other components of the RMG Programme and other ILO projects in the country. A prominent example of this collaboration is the recently launched project: *'Promoting Social Dialogue and Harmonious Industrial Relations in Bangladesh Ready-Made Garment Industry'*.⁶ This project focuses on three specific outcomes:

- ◆ Sustainable improvement in social dialogue, workplace cooperation and grievance handling;
- ◆ Establishment of sustainable and effective mechanisms for conciliation and arbitration; and
- ◆ Enhanced capacities of employers' and workers' organizations for dialogue to prevent and resolve disputes, including those involving gender.

The project, piloted in the RMG sector in Dhaka District, is gradually scaling up within the industry. However, it is anticipated that the impact of the project and particularly that of the dispute resolution mechanism will extend beyond the garment sector and throughout the economy. Better Work Bangladesh is actively supporting the social dialogue elements of the project and will collaborate closely on outcomes 1 & 3 to promote an industry-wide impact beyond Better Work factories.

BWB also provides training to Labour Inspectors, trade union leaders, employers' and workers' organizations, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), National Coordination Committee for Workers' Education (NCCWE) and IndustriAll Bangladesh (IBC). Training has been conducted on Better Work techniques and methods, as well as on behalf of broader ILO programmes such as Fundamental Principles and Rights at Work, and the Ready-Made Garment Programme. It is anticipated that further engagement with the ILO's tripartite constituents will continue in 2019 and throughout the life of the BWB programme. This cooperation contributes both to Better Work's capacity

building and ensures consultation on BAC decisions that affect the programme.

Elected Participation Committees

In order to strengthen social dialogue in factories, BWB provides technical assistance on the organization of PC elections. It is a top priority for the programme to work with workers and management to transparently elect and strengthen these committees at the factory level. Better Work also works with trade unions to strengthen dialogue between employers and trade union representatives.

In factories with a union presence, the law provides that each registered trade union elects an equal number of worker representatives, with the Collective Bargaining agent nominating one more than the total number nominated by the other Unions. However, in factories with no union presence, worker representatives on the PC are elected by workers.

As a result of Better Work's efforts, by December 2018 a total of 105 PCs and 78 Safety Committees had been formed. Under the guidance of Better Work, 105 factories (196,185 workers) voted to elect 1,121 workers representatives (42 per cent of whom are women), and 78 factories voted to elect 586 Safety Committee Members (35 per cent of whom are women). The election of each PC is overseen by factory election committees. In providing assistance to the process, BWB used International Labour Standards to guide the structure of election commissions. That is to say, all worker representative election committees should consist of five members (as stipulated by the Bangladesh Labour Act) and be formed by and composed only of workers. Previous practice saw committees selected by factory management and two out of three committee members were employer representatives.

BWB's Enterprise Advisors have played a major role in building the capacity of Election Committees to run elections and ensure that PCs are compliant with this workplace cooperation mechanism, as defined by the BLA. Capacity building and continuous support to the PCs are ongoing and are expected to result in improved working conditions.

Empowering women, reducing Sexual Harassment and closing the gender pay gap

Gender equality is a key component of BWB's work. The garment industry in Bangladesh has the means to lift millions of women and men out of poverty, and can meaningfully advance gender equality. Better Work's research has demonstrated that when all workers, men and women, are treated fairly and have decent jobs workers, their employers, the industry, and the local and national economies benefit. Good quality jobs catalyse women's economic empowerment, offer social protection and measures to balance work and family, and allow women to work in an environment free from discrimination and harassment. The absence of these conditions impedes women's access to decent jobs. Better Work Bangladesh has worked to improve gender equality in the garment industry in several ways.

- ◆ Internally, BWB has put a strong focus on furthering the programme's gender and diversity impact on the sector, increased emphasis has been given to internal training and understanding of gender equality, stereotyping, discrimination, diversity issues and what that means for our work on assessment, advisory and training.
- ◆ BWB has collaborated with other organisations to expand its impact on gender-related issues. In order to address the issue of gender imbalances at factory supervisory and managerial levels, ILO and the IFC launched the 'Work Progression and Productivity Toolkit (WPT) initiative in 27 BWB factories to redress imbalances in supervisory roles. Currently, more than 19 out of every 20 line supervisors are men despite 80 per cent of line workers being women. This training programme for female sewing operators is designed to equip them with the skills that lead to promotion to supervisory positions. A World Bank impact assessment found encouraging results for the programme. Out of the 144 trainees who completed the training, 92 were offered a promotion to a higher grade - with an increase in salary - within weeks, with approxi-

mately 60 per cent of them accepting the promotion. The number of female supervisors in participating factories increased from an average of 5.22 per cent before the training to 11.86 per cent, post WPT. Almost immediately, efficiency gains of 5 per cent, on average, were observed on the sewing lines led by WPT-trained supervisors. On the strength of these outcomes, BWB and the IFC plan to scale up this initiative under a new name - Gender Equality and Returns (GEAR) - and roll it out in up to 70 factories by 2021.⁷

- ◆ BWB's partnership with UNICEF focuses on improved health for pregnant and nursing mothers. Through the UNICEF/Better Work partnership, affiliated factories have established new medical clinics and childcare facilities, distributed food and encouraged factories to make time and space available for breastfeeding. Most recently, UNICEF and BWB are furthering this partnership through the development and implementation of the Mothers@Work programme. The programme comprises implementing seven minimum standards which address the challenges faced by young mothers. The standards include: paid maternity leave; provision of breastfeeding and childcare facilities; flexible working arrangements; health protection; medical benefits; and employment protection and non-discrimination. In addition to boosting health outcomes for the mother and child, it also makes good business sense for factories. The majority of RMG workers are women of reproductive age. Worker turnover in the garment industry is high, often because they leave the workplace after giving birth, unable to balance caring for an infant whilst still working. This loss of skilled workers creates a constant and costly challenge for businesses to hire and train new recruits. Mothers@Work addresses this problem directly by making it possible for mothers of infants to continue working. The programme is currently being rolled out in 50 factories, with plans to expand to 80 over the course of 2019.

The Sustainability Compact.

Better Work's involvement in Bangladesh aligns with the country's long-term vision and also that of its international partners. The Sustainability Compact brings together the European Union (EU), the Government of Bangladesh, the United States, Canada and the ILO accompanied by employers, trade unions and other key stakeholders to promote continuous im-

provements in labour rights and factory safety in the Ready-Made Garment (RMG) industry. The Compact is built on short- and long-term commitments related to three inter-linked pillars: 1) respect for labour rights; 2) structural integrity of buildings and occupational safety and health; and 3) responsible business conduct. Through its engagement with factories and constituents, data and enterprise-level expertise, BWB is contributing to all pillars of the Compact.

Section II: Findings

This section outlines in more detail the findings of assessments conducted in 200 factories in Bangladesh during the period June 2015 to December 2018. It presents a snapshot of non-compliance rates in those factories in a range of areas linked to working conditions and fundamental rights at work.

2.1 NON-COMPLIANCE RATES

Better Work carries out factory assessments to monitor compliance with international labour standards and national labour law. Assessment reports identify non-compliance findings for a specific factory. Better Work reports on non-compliance at two levels: the question level, which refers to a specific issue, as well as the compliance point level, which is a cluster of questions based on a common theme (e.g. Child Labour). Better Work defines the non-compliance rate as the percentage of factories that have at least one non-compliant issue in a compliance point.⁸ Annex D provides the non-compliance rate for 37 Compliance Points for the 200 covered in this report. For more information on Methodology, please see Annex A.

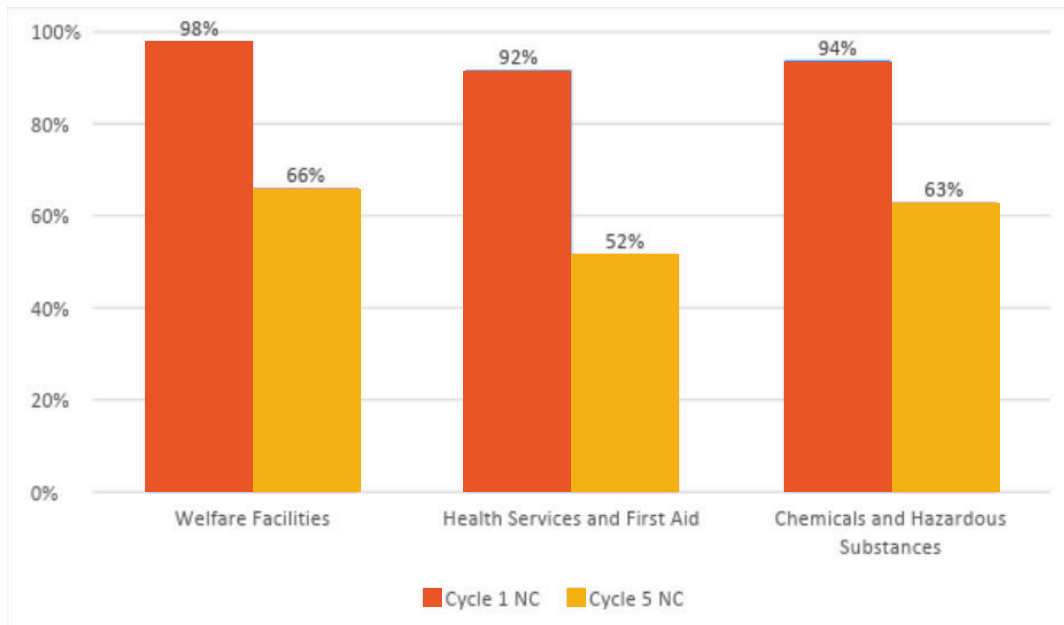
2.1.1 Placing Better Work Bangladesh's Non-compliance Rates in Context

The standards for Better Work factories to be fully compliant with all compliance points are stringent. Non-compliance in the baseline assessments for all Better Work country programmes has, without exception, always been

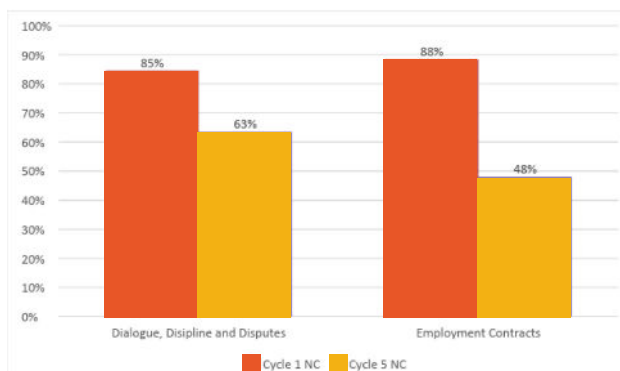
concerning, particularly in the areas of occupational safety and health, contracts and working time. It is important to use Better Work's past experiences to put into context the high non-compliance rates evident in newly established programmes such as Bangladesh, and to understand how those rates have evolved over time as a result of participation in Better Work.

Although aggregate figures for non-compliance rates can appear daunting, there are specific examples of Country Programmes that had high non-compliance rates similar to Better Work Bangladesh in occupational safety and health, but that showed marked improvement after a few cycles. For instance, the first factory assessments carried out by Better Work Vietnam showed high non-compliance in important Occupational Safety and Health Compliance Points. However, by the fifth assessment cycle, Better Work Vietnam factories had significantly reduced their non-compliance rates. Although the Better Work Bangladesh programme is based on the global Better Work model, our services are tailored to address the specific needs of Bangladesh factories and the scale of the industry.

It is important to understand that the approach taken by BW is one that relies on commitment and ownership of the factories. BW seeks to promote sustainable improvements through changes in systems and behaviours. This long-term approach has proven to have a lasting impact on the industry in other contexts.

FIGURE 1 - REDUCTION IN NON-COMPLIANCE RATES IN BETTER WORK VIETNAM FACTORIES BETWEEN FIRST AND FIFTH ASSESSMENTS

Factories in BWB have shown high non-compliance rates in Contract and Human Resources in the first assessment cycle, in particular in relation to Dialogue, Discipline and Disputes, and Employment Contracts. Better Work Indonesia factories were in a similar situation at the onset of that programme in these compliance points. As Figure 2 below illustrates, Better Work's core services can help factories improve in issues related to Contracts and Human Resources.

FIGURE 2 - REDUCTION IN NON-COMPLIANCE RATES IN BETTER WORK INDONESIA FACTORIES BETWEEN FIRST AND FIFTH ASSESSMENTS

2.2 DETAILED FINDINGS

This section describes the levels of non-compliance across participating factories for sub-section (compliance points) within each of the eight categories of labour standards covered by the BWB assessments. Through the In-Focus tables, detailed findings are presented at the question level for a number of compliance points.

Core Labour Standards

2.2.1. CHILD LABOUR AND YOUNG WORKERS

In Bangladesh, the legal working age is 14.⁹ But "young workers" (workers between 14 and 18), have some restrictions on the type of work they can perform as well as hours of work.

No underage workers (children under 14) were found during BWB assessments.

In order to check workers' ages to determine if a worker is a legal adult or a young worker, factories must put in place age verification systems. As per the national law, age can be established based on

the Birth Registration Certificate, School Certificate, national ID or a certificate from a registered medical practitioner (specifically a doctor) certifying the age of the person concerned.

Ninety four per cent of employers (188 factories) have an age verification system in place. However, 12 factories (6 per cent of all factories) had weak age verification systems due to their having a nurse or paramedic, not a doctor, act as the age verifier. In other cases, doctors were used to undertake the age verification, but they did not complete the full verification exam required in a timely fashion. The issue in these cases was that while age verification did take place, it was with a delay of 7-10 days, meaning young or underage workers may not have been immediately identified before hiring. Issues with verification took place when the authorising doctor was not at the factory or the doctor checked only workers' height and weight to confirm their age and fitness for the job.

TABLE 1: IN FOCUS TABLE: DOCUMENT AND PROTECTION OF YOUNG WORKERS

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Does the employer have a reliable system in place to verify the age of workers prior to hiring?	12	6%
Does the employer comply with requirements regarding the certificate of fitness for workers under age 18?	2	1%
Does the employer keep a register of workers under 18 years of age?	2	1%

TABLE 2: HAZARDOUS WORK AND OTHER WORST FORMS

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Do workers who are under age 18 perform work that is hazardous by nature?	1	1%
Do workers who are under age 18 work more hours than allowed and/or work at night (between 7.00 p.m. and 7.00 a.m.)?	1	1%
Does the employer subject any workers under age 18 to the unconditional worst forms of child labour?	0	0%

2.2.2 DISCRIMINATION

Five factories were found to have non-compliance issues related to gender discrimination during hiring. In three per cent of factories (five factories), the employers conducted urine tests of the married women workers in order to identify their pregnancy status prior to hiring. In these cases, the employer asked female applicants about their marital status, family planning, pregnancy status, pregnancy tests or the use of contraceptives as a condition of employment. BWB is addressing these discriminatory practices with factories during training and advisory services.

2.2.3 FORCED LABOUR

Although BWB only found sufficient evidence to support a forced labour non-compliance finding in one factory (workers were not free to terminate their employment with reasonable notice, and to leave their jobs when their contracts expired), the programme found many challenges related to overtime work, as laid out in the Working Hours Section.

2.2.4 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Freedom of Association:

Under the Bangladeshi Labour Act (2006) as amended in 2013, workers are free to join the union of their choice. However, prior to November 2018, the law stated that a union could only be formed in a factory if at least 30 per cent of the workforce joined. If membership dropped below 30 per cent, the union could be de-registered. Following recent amendments, that threshold was reduced to 20 per cent, as from November 2018. Assessments in this report reflect the 30 per cent rule, but assessment criteria, post November 2018, have changed in line with the change in law.

One factory (one per cent of all factories) was found non-compliant with workers' freedom to choose a union. In another factory it was reported that management had workers sign up for a union, but did not provide adequate information about the registration document. Subsequent interviews with factory management revealed that it was their decision to register a union in on behalf of workers. However, by law, union membership is voluntary for workers and cannot be mandated by management. A third factory (one per cent of factories) required their workers to join a union and was therefore found non-compliant on this question.

Interference and discrimination:

Two of the above factories found to be non-compliant in Freedom of Association were also found non-compliant in the Interference and Discrimination compliance point.

Collective bargaining:

Fifty-seven factories (29 per cent of factories) were non-compliant with respect to the Collective Bargaining point. This figure mainly reflects inadequate consultation of workers regarding paid "festival holidays". In Bangladesh, employers must consult worker representatives to determine at least 11 days of paid "festival holidays", which might include religious or national holidays for which the dates are not fixed. Workers, therefore, must be consulted to determine specific dates. The majority of non-compliances were as a result of factories not properly consulting with workers

before determining the festival holiday dates. The next most significant noncompliance was the common finding that worker reps on the Canteen Management Committee were not nominated by the PC, which is a requirement irrespective of whether there is a trade union in the factory.

Under this compliance point it was additionally found that two factories failed to implement the provisions of the collective bargaining agreement.

Union Operations

Four per cent of factories (seven factories) were non-compliant in the Union Operations compliance point, in five cases this was due to not providing the Collective Bargaining agent with an office in the workplace, in two additional factories it was found that the employer had not complied with requirements regarding union dues deductions and deposits in the union's account.

Working Conditions

2.2.5 COMPENSATION

The Compensation and Benefits cluster explores issues related to methods of payment, minimum wages/piece rate wages, overtime payments, paid leave, social security and other benefits, and wage information, use and deductions.

Method of payment:

Under Bangladeshi Labour Law, workers must be paid within seven working days after the last day of the relevant wage period each month. The assessment findings indicate that only 24 out of 200 factories (12 per cent) did not pay workers their salary and benefits on time, delay of payments varied from 2 to 12 days.

Minimum wages/piece rate wages:

Non-compliance relating to payment of minimum wages for ordinary hours of work for permanent full time workers was notable. Twenty-five per cent of factories (49 factories) had at least one minimum wage/piece rate wage related non-compliance.

The principal concern relates to workers being paid below their pay grade (not below minimum wage). In Bangladesh, up until December 2018 the minimum wage for the RMG sector was 5,300 BDT (63 USD) per month, this has since been updated to 8,000 BDT (95.22 USD) which BWB have taken into account in their assessment of factories on minimum wage¹⁰. But minimum pay required by law for each particular job varies depending on the skill level designation for a given position (“wage fixation”). In the garment sector all workers are assigned an official wage based on their position.

A common problem in factories was therefore being paid at a rate below the designated rate for their specific job. In some cases wages had not been updated in accordance to the standards set by the 2013 Wage Gazette; workers were not being paid according to their grade or yearly minimum increments in line with the law. Typically non-compliances in this area was found among mechanics, wet process workers, machine operators and helpers at the ironing sections.

Overtime wages:

With respect to overtime wages, 25 per cent of factories had at least one non-compliance. This mainly stemmed from the 24 per cent of factories (48 factories out of 200) who did not comply with the requirement of paying all workers other than piece rate workers double for all overtime hours worked.

Paid Leave:

Forty-two per cent of factories were non-compliant with respect to paid leave, which includes casual, sick, annual, festival holiday, and maternity leave.

Fifty factories were non-compliant on timely and accurate payment of maternity leave benefits. As per the BLA, women who have been employed for at least six months are entitled to paid maternity leave for 8 weeks preceding the delivery, and 8 weeks after. The assessments found the non-compliance either related to wage calculation or on-time payments.

Assessments found that 15 per cent of factories (30 factories) did not pay workers correctly for annual leave. The major reasons for non-compliance were either that the employer did not introduce annual leave encash-

ment, or did not calculate annual leave correctly.

With respect to payment for “festival holidays” (explained above), 17 factories (9 per cent of factories) did not correctly pay those workers (mostly security guards, electricians) who worked during festival holidays.

TABLE 3: IN FOCUS TABLE: PAID LEAVE

COMPLIANCE QUESTION	# OF FACTORIES FOUND	NC RATE BY QUESTION
Does the employer pay workers on time and correctly when they take maternity leave?	50	25%
Does the employer pay workers correctly for annual leave?	30	15%
Does the employer pay workers correctly for festival holidays (including compensatory festival holidays when workers work on festival holidays)?	17	9%
Does the employer pay workers correctly during sick leave?	12	6%
Does the employer pay workers correctly during casual leave?	3	2%
Does the employer pay workers correctly during work stoppages?	0	0%

Social Security and Other Benefits:

With respect to the Social Security and Other Benefits compliance point, 97 per cent of assessed factories faced challenges complying with the legal requirements to establish workers’ participation and welfare funds. The common findings revealed that employers did not establish a Workers’ Participation or Workers’ Welfare Fund. In cases where the Workers’ Welfare Fund was established, there was the issue of non-payment of the 1/3 of money by the employer. Workers employed for at least 9 months at the time of distribution of the fund are eligible for distributions from the Participation Fund. The law requires that the total amount distributed each year should equal 2/3 of the amount contributed by the employer, plus the profits from the 1/3 that is invested under Bangladesh Labour Law.

TABLE 4: IN FOCUS TABLE: SOCIAL SECURITY AND OTHER BENEFITS

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Are the Workers' Participation and Welfare Funds used and distributed as required?	191	97%
Has the employer properly established a Workers' Participation Fund and Welfare Fund, and paid the required amount into the funds each year?	194	97%
Does the employer provide compulsory group insurance for workers?	64	32%
Does the employer pay the correct compensation in the event of a worker's death?	29	15%
Does the employer pay workers the correct compensation for work-related accidents and diseases?	18	14%
Has the employer properly established a Provident Fund when required, deposited the worker and employer contributions into the Fund, and invested and distributed the Fund as required?	6	3%
Does the employer pay workers two festival bonuses per year?	4	2%
Does the employer pay the required amount into the sector-based central fund?	0	0%

The In Focus Table 4 shows that 97 per cent of factories failed to establish a workers Participation Fund and a Welfare Fund and to pay the required amounts. They were therefore also non-compliant on distributing the funds as required.

In Bangladesh, the law specifies that factories offer insurance in the case of worker death due to any circumstances (including if the death is unrelated to work). The amount depends on the years of service of a worker. Workers are also entitled to a payment of 100,000 BDT (USD 1,200) where the death results from a workplace injury and, in the event of the death of a worker, the employer is required to submit a claim to the group insurance to recover the insurance payment and provide it to the worker's dependants within 120 days of filing the claim. These payments are in addition to any other payments the worker would have been entitled. In 18 factories, payments were not made on time or at all.

Wage information, use and deduction:

Fifty-four per cent of factories kept multiple payrolls (double books). In these factories, employers kept, on average, 2-4 sets of payrolls depending on the working hours. The first set of payments commonly reflected legal working hours (10 hours in a day and 60 hours in a week), and the others commonly reflected different variations of working hours beyond the legal limit, e.g., excessive overtime hours, work during weekly rest days, etc.

It should be noted that the use of double books is not unique to Bangladesh. In fact this is a well-known practice in the world's garment industry and is often partially a result of contradictory expectations that global brands place on their supplier factories. Codes of Conducts can be unrealistic and run counter to expected production targets. In addition common purchasing practices such as last-minute changes to orders, which are difficult to accommodate in the short term, can be linked to excessive working hours among other industry wide issues. It is testament to factories that they have been transparent on this issue, which allows the industry to take steps towards finding a sustainable solution.

TABLE 5: IN FOCUS TABLE- WAGE INFORMATION, USE AND DEDUCTION

COMPLIANCE QUESTION	# OF FACTORIES FOUND	NC RATE BY QUESTION
Does the employer keep only one accurate payroll record?	107	54%
Does the employer provide workers with wage slips prior to paying wages?	89	45%
Has the employer made any unauthorized deductions from wages?	21	11%

Bangladeshi law requires employers to provide a wage slip to every worker that includes basic and total net wages, overtime payments, and deductions (if any). In BWB assessments, one of the significant issues found in almost every factory was that the employer only provided payslips to workers for working hours within the legal limits. The workers were not provided a record of their excessive overtime hours and work on weekly rest days. One reason for this lack of transparency around wages is that excessive overtime is often a zero tolerance issue for brands, and factories fear losing customers.

2.2.6 CONTRACTS AND HUMAN RESOURCES

Contracting Procedures:

Eighty-two per cent of factories have at least one non-compliance issue regarding Contracting Procedures. Sixty-four per cent of assessed factories (124 factories) did not provide Service Books to workers (aside from apprentices, substitutes/“badli”, or casual workers, who are not legally required to be provided with service books). In cases where Service Books were provided, there was no updated information such as revised salary, earned leave balance, and information on promotion and training.

The assessment findings showed that approximately 56 per cent (74 factories) of the 132 factories who had been asked had sub-contracted workers to provide services in the factory such as security, cleaners, repairing, construction work, etc. Bangladeshi labour law ensures the rights of sub-contracted workers, who are entitled to the same wages and facilities as (compa-

table) workers employed by the factory.¹¹ Contracting agencies/outsourcing companies that supply workers must be registered with the Government. In some cases, the factory did not keep a copy of the contracting agency/outsourcing company’s registration on file.¹²

Workers supplied by a contracting agency/contractor are considered workers of the contractor and are covered by the BLA. In most cases, the assessment found that overtime hours, leave, wages, and other benefits were not clearly stated in either the agreement between the enterprise and agency or the agreement between the agency and the sub-contracted workers.

Dialogue, discipline and disputes:

Ninety-four per cent of factories had a non-compliance in this area. The three top areas of non-compliance related to not having a qualified welfare officer (157 factories), not having a functioning Participation Committee (150 factories) and disciplinary measures not complying with legal requirements (75 factories).

TABLE 6: IN FOCUS TABLE- DIALOGUE, DISCIPLINE, AND DISPUTES

COMPLIANCE QUESTION	# OF FACTORIES FOUND	NC RATE BY QUESTION
Does the factory have a functioning Participation Committee?	150	75%
Does the factory have a qualified welfare officer?	157	79%
Do the disciplinary measures comply with legal requirements?	75	38%
Did the employer resolve grievances and disputes in compliance with legal requirements?	35	18%
Have any workers been bullied, harassed, or subjected to humiliating treatment?	34	17%
Has the employer failed to fully implement any applicable court orders, arbitration awards and/or settlements?	0	0%

As per the BLA, factories employing 50 or more workers must form a PC with at least as many worker representatives as employer representatives. Better Work assesses the formation and existence of these PCs, and that they are functioning appropriately. To determine this, Better Work reviews the election committee nomination process, the election itself, roles and responsibilities, and communications. If any of these processes are flawed, the factory is non-compliant.

During the assessment period, 75 per cent of factories (150 factories) were found to have PCs that were not effective and/or functional. Factories are frequently non-compliant because of a cascade of problems related to management controlling who becomes a PC member. This may start with influencing who sits on the election committee, which then affects the rollout of the election and the selection of PC members.

In addition to interfering with the election committees, there are cases where management directly selects workers for the PC, or puts stringent criteria on who may run (for example, minimum levels of education or similar). Furthermore, once elected, many PCs were not functioning properly, because factories including PC members were not clear on the roles and responsibilities of the PC, and did not follow important required practices such as taking meeting minutes.

Aside from issues around PCs, workers were found to have been harassed or subjected to humiliating treatment in 17 per cent of factories (34 factories). Most of these cases have to do with supervisors, usually untrained, using harsh and abusive language towards workers. There are also systemic issues with welfare officers not having the education or training required by law, with 79 per cent of factories (157 factories) found non-compliant on this issue.

Employment contracts:

The Employment Contracts Compliance Point consists of several areas that Better Work assesses, such as whether the letter of appointment complies with legal requirements, specifying the terms and conditions of employment, workers' understanding of the terms and conditions of employment, and information on whether workers are given a copy of the letter

of appointment. In almost all factories assessed, workers were not found to have understood the terms and conditions of employment (196 factories). In 117 factories, workers were not given a copy of appointment letter.

TABLE 7: IN FOCUS TABLE - EMPLOYMENT CONTRACTS

COMPLIANCE QUESTION	# OF FACTORIES FOUND	NC RATE BY NC QUESTION
Do workers understand the terms and conditions of employment?	196	98%
Has the employer provided all workers with a letter of appointment?	117	59%
Do the letters of appointment specify the terms and conditions of employment?	67	34%
Do the letters of appointment comply with the labour law, collective agreement and service rules?	42	21%

The assessment findings revealed that the letters of appointment for 34 per cent of factories did not include one or more specific requirements such as designation, grade, pay rate, holiday bonuses, etc. Similarly, employers did not provide workers with a copy of their contract, or provided this late. Factories often did not help workers to understand the terms and conditions of employment.

The letters of appointment of 42 factories (21 per cent of all factories) did not comply with legal requirements. Often, the appointment letters did not specify the workers' minimum wage according to their specific grade (see explanation in minimum wage above).

Termination:

Four-four per cent of factories (88 factories) who terminated workers did not pay their outstanding wages within 7 working days of termination as required by law. Twenty-eight per cent of factories did not pay severance for termination, or did not pay the right amount.

2.2.7 OCCUPATIONAL SAFETY AND HEALTH

In this cluster, BWB assessments highlight issues related to chemicals and hazardous substances, emergency preparedness, health services and first aid, welfare facilities, worker accommodation, and worker protection. Nearly all compliance points in this cluster have more than 90 per cent non-compliance rate except worker accommodation (1 per cent) and working environment (44 per cent).

Chemicals and Hazardous Substances:

The top challenges factories face in the Chemical and Hazardous Substances compliance point relate to the effective training of workers dealing with chemicals (73 per cent factories in non-compliance), taking measures to limit workers' exposure to chemicals and hazardous substances (70 per cent), inadequate labelling (69 per cent), and chemical inventories (60 per cent).

TABLE 8: IN FOCUS TABLE: CHEMICALS AND HAZARDOUS SUBSTANCES

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Has the employer effectively trained workers who work with chemicals and hazardous substances?	145	73%
Has the employer taken action to assess, monitor, prevent and limit workers' exposure to chemicals and hazardous substances?	140	70%
Are chemicals and hazardous substances properly labelled?	138	69%
Does the employer keep an inventory of chemicals and hazardous substances used in the workplace?	120	60%
Are chemicals and hazardous substances properly stored?	105	53%
Does the employer have chemical safety data sheets for the hazardous chemicals used in the workplace?	98	49%
Does the employer provide adequate washing facilities and cleansing materials in the event of exposure to hazardous chemicals?	88	44%
Does the employer have the legally required license for storage and use of acids in the factory?	12	9%

In 73 per cent of factories (145 factories), training on chemical handling was not considered effective, which means workers were not adequately prepared to make informed decisions regarding storing, labelling, and handling of chemicals. In the same number of factories, employers had not taken action to limit workers' exposure to chemicals and hazardous substances through steps such as elimination, substitution, engineering behaviour and using PPE and the employer did not have separated areas for spot removing. High levels of non-compliance were also found regarding improper labelling and storage of chemicals.

The assessment findings indicate that 69 per cent of factories (138 factories) did not properly label chemicals and substances to identify potential harm, appropriately classify the substance, and provide safety precautions. Forty-nine per cent of factories (98 factories) did not properly store chemicals and hazardous substances.

A total of 60 per cent of factories (120 factories) did not keep an inventory of chemicals and hazardous substances used in the workplace. Alongside this, 60 per cent of factories (120 factories) lacked chemical safety data sheets that identify the chemical, its supplier, classification, hazards, safety precautions and emergency procedures.

Emergency Preparedness:

Ninety-six per cent of factories were found non-compliant with at least one question within this compliance point. The most consistent, systemic issues relate to training workers and forming teams on fire fighting and rescue, and appointing a trained fire and rescue officer. One hundred and forty-two factories did not comply with this requirement. Other high non-compliances relate to emergency exits (adequate window exit per floor, accessible exits and escape routes), a fire detection and alarm system and fire-fighting equipment.

TABLE 9- IN FOCUS TABLE: EMERGENCY PREPAREDNESS

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	RATE BY QUESTION
Has the employer trained workers on fire fighting and rescue, formed fire-fighting and rescue teams, and appointed a trained fire and rescue officer?	142	71%
Does the workplace have at least one adequate window exit per floor?	115	59%
Are the emergency exits and escape routes accessible, unobstructed and unlocked during working hours, including overtime?	84	42%
Does the workplace have adequate fire-fighting equipment?	71	36%
Does the workplace have a fire detection and alarm system?	80	40%
Are emergency exits and escape routes clearly marked and posted in the workplace?	49	25%
Are flammable materials safely stored?	38	19%
Are possible sources of ignition appropriately safeguarded?	29	15%
Does the employer comply with emergency requirements?	9	7%
Does the employer conduct periodic emergency drills?	12	6%
Are there enough adequate emergency exit doors?	7	4%
Does the workplace have adequate stairways that can be used in case of emergency?	2	1%

Although most factories conducted the required periodic emergency evacuation or fire drills, six per cent (12 factories) had not conducted the required periodic drills. The law requires the employer to carry out full evacuation drills four times per year for a period of two years starting from the date of operation in new buildings, and after that all workers must take part in at least two full evacuation drills per year. The most common issues found were that the factories carried out the drills but there were no designated assembly points, no involvement of the health and safety committee, no records of the drills, and the factories did not conduct the drills every six months.

Almost half of the factories (84 factories) had at least one obstructed emergency exit. Sixty-four per cent provided adequate fire-fighting equipment. Where there were fire extinguishers, some of them were blocked, over-pressured, under-pressured or undercharged. The factories did not have sprinkler systems or proper fire extinguishers (such as fire extinguishers in the tin-shed, chemical storage foam-type fire extinguishers for the flammable liquid (diesel) used in the boiler section, and portable fire extinguisher on the production floors). Fire hoses were obstructed by materials or sand buckets. Similarly, 40 per cent of factories (80 factories) were non-compliant on fire detection and alarm systems - the main challenge being incomplete installation. Some factories did not activate fire detection, did not install fire detection systems or smoke detectors in areas of the workplaces. In some cases, factories had a manual fire alarm system, but not an automatic detection system.

Nineteen per cent of factories (38 factories) did not safely store flammable materials such as paper, fabrics, wood, plastics, packaging materials etc. Flammable materials were found stored beneath staircases or in stairwells, up against heating equipment, close to electrical cabinets or equipment, and near sources of heat.

Lastly, under national law, at least 18 per cent of workers in each section/division of the factory should be trained in fire-fighting and rescue, and then fire-fighting and rescue teams should be formed from among the trained workers. One hundred and forty-two factories (71 per cent of all factories) were found non-compliant because they did not have the correct number of workers allocated or the proper division between tasks.

Health Services and First Aid:

Factories faced challenges on the Health Services and First Aid compliance point, especially in complying with legal requirements on medical checks, health facilities and staff, and readily accessible first aid supplies. All assessed factories were non-compliant with at least one question within this compliance point. The top area of non-compliance was related to the provision of health facilities and staff; 174 factories (87 per cent) did not comply with this requirement. The second highest finding in this section was the non-compliance with national policy on HIV/AIDs, relating mostly to a lack of worker training on HIV/AIDs, with workers found to be unaware of accurate, up-to-date information on reducing the risk of HIV/AIDs in their personal lives, and protecting against discrimination against people with HIV or AIDS in the workplace.

TABLE 10: IN FOCUS TABLE- HEALTH SERVICES AND FIRST AID

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Does the employer provide required health facilities and staff?	174	87%
Does the employer comply with national policy on HIV/AIDs?	169	85%
Does the employer comply with legal requirements regarding medical checks for workers?	156	78%
Has the employer trained workers on first aid and formed a first-aid team?	140	70%
Has the employer ensured that there are a sufficient number of readily accessible first aid boxes/supplies in the workplace?	127	64%
Does the employer address safety and health risks to pregnant or nursing workers?	19	10%

Focus Table 10 shows high non-compliance regarding the number of medical staff. Eighty-seven per cent of factories did not provide the required health facilities and staff. This was mostly related to factories not providing the legally required full time doctors, medical assistants, and/or nurses.

Bangladeshi Labour Law requires that factories with 300 or more workers must have a medical room with dispensary, one registered medical practitioner, one trained medical assistant and a nurse must be on duty all times when workers are working. As factories increase in size, more medical practitioners are required. In most cases, factories did have some medical staff on site, but lacked the specified number of doctors or nurses required by law (so for example, the factory employs three doctors but is required to have four). Sometimes, when doctors were present, they were not contracted full time. Another common issue found was not having medical staff available on-site during the night shift.

Most factories did complete entry medical tests for workers, but they fail to comply with all relevant requirements. For example, factories complete the hearing and lung tests for workers, but tend to focus the testing on the most relevant tests for the worker's job and not completing the full gambit of medical tests. It was commonly found that workers who perform dangerous operations (working with electric wiring, work involving noise levels of more than 80db; cleaning lubricating or adjusting moving machines parts; or working between moving parts or between fixed and moving machine parts) did not receive the required annual medical check-up.

In 127 factories (64 per cent of all factories), there were an insufficient number of first aid boxes or the boxes were lacking supplies such as variety of bandages, antiseptic, packets of cotton, antacid tablets, cream for burns, eye drops, oral saline solution, scissors, etc. Additionally, in some factories first aiders did not wear a badge for easy identification.

Welfare Facilities:

Factories' top challenges related to complying with legal requirements for providing adequate shelters or break rooms; providing lunchrooms and/or canteens; and providing adequate day care facilities.

TABLE 11: FOCUS TABLE: WELFARE FACILITIES

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Does the workplace have adequate day care facilities?	152	76%
Does the workplace have an adequate lunch room, and/or canteen?	125	63%
Does the workplace have adequate shelters or rest rooms?	117	59%
Does the workplace have adequate washing facilities and adequate soap?	88	44%
Does the employer provide workers enough free safe drinking water?	47	24%
Does the workplace have adequate accessible toilets and washrooms?	26	13%

In 152 factories (76 per cent), the day care facilities were inadequate, lacking adequate light, ventilation and cleanliness. Additionally, some day care facilities did not hire trained or experienced caretakers; were located near excessive noise; were not equipped with a cot or cradle with bedding for each child; did not have adequate toys for older children; lacked a separate room or screened-off area for breastfeeding; were not equipped with chairs for the parents to feed or attend to their child; or did not include a fenced and shady open air play-ground for older children. Requirements for a typical day care centre for factories with 40 or more female workers include:

- ◆ Adequately lighted, ventilated and clean;
- ◆ Under the charge of a trained or experienced caretaker;
- ◆ Accessible to the children's' parents;
- ◆ Located away from noxious fumes, dust, odours or noise;
- ◆ Constructed of heat resistant and water-proof materials;
- ◆ Equipped with enough cots or cradles with bedding, as well as toys for older children;
- ◆ Equipped with a separate room or screened-off area for breastfeeding;
- ◆ Equipped with chairs for the parents to feed or attend to their child; and
- ◆ Equipped with washing facilities, soap and water, towels and clothes.

One hundred and twenty five out of 200 factories (63 per cent) were not able to provide an adequate lunchroom and/or canteen. This is usually due to not having sufficient space and insufficient seating capacity. Along these same lines, 24 per cent of factories had challenges related to drinking water. Drinking water stations were found to be too close to the washing facilities, or was not safe to drink as it did not comply with water quality parameters by Bangladesh standards. In some cases, a water dispenser was not supplied or was empty and workers were drinking water from the washroom facility.

Worker Protection:

Non-compliance here primarily includes lack of effective training and encouragement of workers to use personal protective equipment; complying with ergonomic requirements; and the use of proper guards on all dangerous moving parts of machines and equipment.

TABLE 12: IN FOCUS TABLE: WORKER PROTECTION

COMPLIANCE QUESTION	# OF FACTORIES FOUND	NC RATE BY QUESTION
Are workers effectively trained and encouraged to properly use personal protective equipment, machines and equipment?	195	98%
Does the employer provide workers with all necessary personal protective clothing and equipment?	182	91%
Does the employer comply with ergonomic requirements?	175	88%
Are proper guards installed and maintained on all dangerous machines and equipment?	172	86%
Are appropriate safety warnings posted in the workplace?	63	32%
Are electrical wires, cables, switches, plugs and equipment (e.g. transformer, generator, electrical panel, circuit breakers, electrical boilers) properly installed, grounded (for equipment), maintained, and certified?	57	29%
Are boilers registered or certified, as legally required?	33	25%
Do the technicians for electrical installations and boiler operators have the legally required license/certification?	31	23%
Has the employer taken legally required measures to protect workers from falls from heights?	22	17%
Is the workplace overcrowded?	8	4%
Are workers punished if they remove themselves from work situations that they believe present an imminent and serious danger to life or health?	0	0%

Ninety-eight per cent of factories (195 factories) were non-compliant in the effective training of workers to use personal protective clothing and equipment. In many cases, management claim that the workers had been previously trained but prefer not to use the equipment. This is particularly true with sewing machine eye guards and needle guards. Additionally, workers stated that respiratory masks for spot cleaning were uncomfortable to use for a long period of time. Another common challenge is when factories provide personal protective equipment (PPE), it is not always appropriate for the job at hand. For example, a factory providing a fabric mask instead of a proper dust mask.

Eighty-eight per cent of factories do not comply with ergonomic requirements, as they fail to accommodate standing workers with anti-fatigue mats, shock absorbing mats, and/or chairs for sitting at regular intervals. A total of 182 factories (91 per cent of all factories) did not provide workers with all necessary personal protective clothing and equipment, including for example, dust masks for the knitting section, hand gloves and boots for the washing section, or ear muffs for the generator section. No non-compliance was found with regards workers being penalised for removing themselves from a dangerous work situation.

Working environment:

Forty-four per cent of factories (88 factories) were non-compliant with at least one question within the Working Environment compliance point.

TABLE 13: IN FOCUS TABLE - WORKING ENVIRONMENT

COMPLIANCE QUESTION	# OF FACTORIES FOUND	NC RATE BY QUESTION
Are noise levels acceptable?	45	23%
Are the temperature and ventilation acceptable?	34	17%
Is the workplace clean and tidy?	34	17%
Is the workplace adequately lit?	5	3%

The noise level in 23 per cent of factories (45 factories) was unacceptably high, especially in the generator and boiler rooms. However, some factories do provide noise cancelling ear muffs/plugs. Additionally, the

temperature and ventilation was unacceptable in 34 per cent of factories in the washing, dry process, ironing, and fusing machine areas of the factory.

Occupational Safety and Health Management System:

In general, many factories struggle on performing well on the management system questions, generally finding it difficult to meet the standards in questions that asks if the employer “performed an assessment of general OSH issues in the factory” as well as ensuring a functioning Safety Committee.

Although non-compliance in this area was high, Better Work believes that the existence of an OSH policy and plan will result in improved compliance on emergency preparedness.

IN FOCUS 16: OSH MANAGEMENT SYSTEMS

TABLE 14: IN FOCUS TABLE- OSH MANAGEMENT SYSTEMS

COMPLIANCE QUESTION	# OF FACTORIES FOUND	NC RATE BY QUESTION
Does the factory have a functioning Safety Committee?	171	86%
Has the employer performed an assessment of general occupational safety and health issues in the factory?	166	83%
Does the employer record work-related accidents and diseases and inform the governmental authorities as required by law?	108	54%
Has the employer appointed an officer trained in firefighting, rescue and first aid?	91	46%
Does the employer have legally required construction permits/ structural safety certificates/ fire license?	50	25%
Does the factory have a valid business license?	25	13%

Most factories had not performed an assessment of general occupational safety and health issues in the factory (83 per cent). Eight-six per cent of factories did not have a functioning Safety Committee. Safety Committees are not considered functional if they are not formed from nominations by the PC/Trade Union, a legal requirement. Often because the PCs were not formed as required by law and the PCs are the basis for the Safety Committees, Safety Committees are as a result automatically considered to have been formed improperly as well.

Additionally, in many cases the safety committees did not conduct regular meetings, members were not aware of their roles and responsibilities, or did not receive training on OSH issues, among other shortcomings. BWB often observed during factory visits that factories lacked proper policies and procedures around one or more of the OSH systems. It is difficult for factories to fix the issues in a sustainable way without a consultative policy and system which clearly commits to establishing measurable objectives and improvement targets. Much of BWB's advisory service supports factories to look at the root cause of these issues and develop policies and procedures to systematically address these non-compliances.

The management of 108 factories (54 per cent) did not inform governmental authorities about work-related accidents and diseases as required by law. This creates a lack of data on OSH at the national level, which is a major challenge for the Ministry of Labour and Employment.

2.2.8 WORKING TIME

Much of the non-compliance relates to overtime and complications that arise due to the use of two sets of labour records. Reliable and accurate records are a precursor to determining other areas of compliance, including overtime pay. Factories may have double records, or purposefully record work hours inaccurately to avoid presenting excessive overtime or working hours. Workers may be properly compensated, but because official logs are inaccurate, it is not possible to verify compliance and a factory may therefore be considered non-compliant.

Overtime is a challenging compliance point to adhere to, given that internal and external factory pressures in most instances require workers to undertake overtime. Time records reflected that workers in the maintenance, sewing, quality, finishing sections as well as security

and admin (house-keeping) staff commonly worked excessive overtime (beyond the legal limits of 10 hours per day and 60 hours per week). Often, factories allow more than the maximum 2 hours of daily overtime. During assessments, BWB found that overtime tended to occur during certain periods of peak production and did not always involve all workers. Excessive overtime is not unique to Bangladesh, but is generally observed in garment sectors across the globe.

TABLE 15: IN FOCUS TABLE: REGULAR HOURS

COMPLIANCE QUESTION	# OF FACTORIES FOUND	NC RATE BY QUESTION
Do workers have at least one day off per week?	78	39%
Do the working time records reflect the hours actually worked?	68	34%
Do regular daily or weekly working hours exceed the legal limit (8 hours per day, 48 hours per week)?	11	6%
Does the employer provide required daily break periods?	10	5%

Better Work found that 68 factories (34 per cent) did not record actual working time in one set of records.

Workers in Bangladesh get one weekly rest day. In 78 factories (39 per cent), workers worked at least two consecutive weekly rest days, meaning they were at the factory three weeks straight, without rest. In one factory, workers worked consecutively for five weekly rest days. In all cases, this does not mean that all workers in a given factory were not granted their weekly rest day, rather that at least some workers in that factory did not get their weekly rest day.

Overtime:

Ninety-five per cent of factories (189 factories) did not comply with limits on overtime hours worked. Under Bangladeshi Labour Law, total working hours (including both regular and overtime hours) should be limited to 10 hours per day (8 regular hours, 2 overtime hours) and 60 hours in any one week (48 regular hours, 12 overtime hours).

TABLE 16: IN FOCUS TABLE: OVERTIME

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Does the employer comply with limits on overtime hours worked?	189	95%
Does the employer provide compensatory days off when workers work on weekly rest days?	158	79%
Does the employer inform workers about overtime at least 2 hours in advance?	134	67%
Does the employer get written consent from women to work at night?	51	26%
Is overtime voluntary?	17	9%

The national law requires written consent from women if they work between 10:00 pm and 6:00 am. Twenty-six per cent of factories (51 factories) were found non-compliant because the women had not filled out the official form providing consent. In addition, all workers must provide consent for any and all overtime hours worked.

A total of 158 factories (79 per cent) did not provide compensatory days off when workers worked on weekly rest days. Workers should be provided a compensatory rest day within 3 working days of the day on which they worked. Workers should not be made to work for 10 consecutive days without a weekly rest day.

Leave:

Among the 200 factories, 42 per cent had at least one non-compliance issue related to leave.

TABLE 17: IN FOCUS TABLE: LEAVE

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Does the employer provide required annual leave?	51	26%
Does the employer provide 14 days of sick leave per year?	25	13%
Does the employer provide workers at least 11 festival holidays per year (or compensatory and substitute holidays when workers work on festival holidays)?	23	12%
Does the employer provide required time off for maternity leave?	13	7%
Does the employer provide 10 days of casual leave per year?	11	6%

According to interview data, there appeared to be a lack of workers' understanding around their legal maternity rights and benefits, including maternity leave. In one factory several female workers were under the impression that they were expected to resign in the later stages of pregnancy. In two cases, workers were given less than the required 56 days (8 weeks) which they are due to take before their expected date of delivery. In one case, a factory did not grant the full eight weeks post-delivery maternity leave to a worker as the delivery date was later than expected and the eight weeks post maternity leave was counted from the estimated delivery date, rather than the actual delivery date.

Twenty-six per cent of factories were non-compliant on annual leave. Non-compliances, according to interviews and document checks during assessment, came as a result of the employer's miscalculation of leave, a lack of understanding of how the leave system works and confusion about entitlements due to workers. In a couple of cases employers had not granted workers leave despite their request, and in a few factories workers could not cash out the leave that was entitled to them. Per Bangladeshi law, up to half of the annual leave accrued in a year can be cashed out.

Festival leave non-compliance mostly related to security guards, mechanics and electricians working on festival holidays.

Section III: Conclusions

CONCLUSIONS AND NEXT STEPS

BWB's first Industry and Compliance Review provides valuable insights into the country's garment industry. Using data from 200 factories assessed by BWB between June 2015 and December 2018, it offers a clear snapshot of the current state of labour standards and working conditions; and highlights priority areas for improvement. Among other results, the report identifies major challenges facing the RMG sector in the areas of occupational safety and health; working time and hours; contracts; dialogue and disputes; and payment of social security benefits.

These challenges are not unique to Better Work factories nor to Bangladesh. Comparing non-compliance between Bangladesh and five other Better Work Country programmes during their baseline cycle suggests that the programme's rates of non-compliance, while relatively high, are not out of line with other country programmes at a similar stage of engagement. Better Work's experience and research has shown that these non-compliance rates will decrease with factories and brands continued, active engagement in the programme.

While preliminary evidence from progress reports and self-diagnoses processes show that measurable improvements have been made by factories in a number of areas through their engagement with BWB, there is still much work to be done and there are a number of areas BWB, brands and our tripartite partners can and should do more on:

- ◆ In the coming years, the programme will work closely with the tripartite constituents to provide the necessary expertise and support to improve the enabling and regulatory environment, help build technical skills of the Department of Inspection for Factories and Establishments (DIFE) and the Department of Labour (DOL), employers, and unions, and work with factory level stakeholders and PCs to improve working conditions and business competitiveness.
- ◆ **Transparency;** BWB is committed to supporting the competitiveness of the Bangladesh garment sector and helping to secure the reputation of Bangladesh as an ethical sourcing destination. In the near future, following the path of other Better Work programmes who have found that factory compliance levels have improved following public disclosure of working conditions in individual factories, BWB will launch an online transparency database which will show how individual garment factories measure up on key working conditions.
- ◆ **Workplace Safety;** In order to sustain and continuously improve workplace safety, BWB will work to strengthen local mechanisms and regulatory regimes to foster a safety culture that goes beyond minimum standards. At an enterprise level, developing well-functioning management systems is an important component of the BWB approach in factories, directly linked to the performance of a factory in key areas like OSH and HR, advisors and trainers put a strong emphasis on making sure that factories through an integrated and systematic procedure are continuously monitoring progress, sustaining improvements and making change where necessary. BWB will continue to work with the Ministry of Labour (MOLE) to adopt a Zero Tolerance Protocol in Bangladesh to ensure brands and regulatory bodies are immediately notified on issues posing an immediate threat to worker's welfare and safety. It will also seek to reinforce its partnership with and capacity of the government and social partners to improve OSH performance, OSH regulations in the garment industry, and capacity to oversee industrial safety in Bangladesh, and to contribute to the equipping of the Government's Remediation Coordination Cell.

- ◆ **Social dialogue;** while continuing its work with the Participation and Safety Committees, BWB will strengthen its capacity to address freedom of association and promote mature industrial relations practices in factories where there is a union. BWB will also work with other ILO programmes and development partners in promoting industrial relations and social dialogue as an effective way of preventing labour disputes at the enterprise and sectoral levels, including by contributing to develop the capacity of the Ministry of Labour's DOL.
- ◆ **Purchasing Practices;** International brands have substantial influence over working conditions in factories in Bangladesh. Many of them are using this influence already, but by strengthening their long term engagement and vision of partnership with industry partners and investors, factories are more likely to invest in good systems, their workers, and safe and healthy workplaces. There are many examples in Bangladesh where this has proven to be the case, while at the same time, a number of studies demonstrate the impact that purchasing practices and costs can have on compliance. Exemplary factories should become the norm and this is possible through collaboration between brands and investors, supported by strong national institutions and a clear vision for the industry. Recognizing the role brands can play in improving working conditions, Better Work supports collaboration and dialogue between brands and factories and helps to ensure responsibility is shared to improve working conditions. As well as consciously engaging brands on their responsible business practices, BWB as it scales up to an increasing number of factories will continue to work with brand partners to reduce audit duplication in the sector.
- ◆ **Assessment, Advisory, Learning & Strengthening Management Systems;** Although notable improvements in areas of compliance have become visible in some factories who have progressed from cycle one of the programme, BWB continues to observe high non-compliance in certain areas. BWB will continue to support these factories in tackling the root-cause of these non-compliances, providing tailored, needs based advisory and training to ensure factories can fix issues in a sustainable way, leading to safer, fairer, and more productive and inclusive workplaces.
- ◆ **Moving up the Supply Chain;** Bangladesh continues to be a low-labour cost country. Despite garments being produced here for over thirty years, for the most part, the country is limited to the low value add segment of the garment supply chain. There is undoubtedly potential to take the garment sector to the next level in the value chain. Experience from other countries has shown that the ability of a garment producing country to do this depends on a number of factors, including close collaboration with brands, factories and the government, decent infrastructure and public services. Quality, more sophisticated products and technology are linked to strategic partnerships with brands which encourages investment and commitment to the sector and to individual factories. This is all the more relevant as the country hopes to graduate to Middle- Income Country Status. Tied up in this relationship between brands and factories is the need to build factory capacity, and for brands and factories to show their commitment to a transparent and respectful relationship. BWB works on the ground in factories and with local and international brands to support and encourage long-term workplace improvement which not only improves productivity and efficiency, but also support Bangladesh's reputation as an ethical sourcing destination. BWB will continue its discussions with the ILO tripartite constituents, brands and factories to support the industry in its transition to higher value add.

Annexes

ANNEX A: BETTER WORK METHODOLOGY

Better Work carries out factory assessments to monitor compliance with international labour standards and national labour law. In its factory and industry-level reports, it highlights non-compliance findings. Better Work reports these figures to help factories easily identify areas in need of improvement. Collecting and reporting this data over time will help factories demonstrate their commitment to improving working conditions.

Better Work organizes reporting into eight areas, or clusters, of labour standards. Four of the clusters are based on fundamental rights at work regarding child labour, discrimination, forced labour, and freedom of association and collective bargaining. In 1998, member states, workers, and employer representatives at the International Labour Organization identified fundamental principles and rights at work regarding these four issues based on eight very widely ratified International Labour Conventions (29, 87, 98, 105, 100, 111,

138, and 182). These Conventions provide the baseline for compliance with the fundamental rights clusters across all Better Work country programmes.

The four other clusters assess conditions at work, including compensation, contracts and human resources, occupational safety and health, and working time. The compliance points covered in these clusters are largely consistent across countries, however each compliance point contains specific questions that may vary due to differences in national legislation. In countries where national law either fails to address or lacks clarity around a relevant issue regarding conditions at work, Better Work establishes a benchmark based on international standards and good practices.

Each of the eight clusters is divided into its key components. These components are known as compliance points [CP]. Each CP contains specific questions that may vary from country to country. The detailed list of CPs within each cluster is indicated in the table below.

	COMPLIANCE CLUSTERS	COMPLIANCE POINTS
Core Labour Standards	1 Child Labour	1. Child Labourers 2. Documentation and Protection of Young Workers 3. Hazardous Work and Other Worst Forms
	2 Discrimination	4. Gender 5. Other Grounds 6. Race and Origin 7. Religion and Political Opinion
	3 Forced Labour	8. Bonded Labour 9. Coercion 10. Forced Labour and Overtime 11. Prison Labour
	4 Freedom of Association and Collective Bargaining	12. Collective Bargaining 13. Freedom to Associate 14. Interference and Discrimination 15. Strikes 16. Union Operations
Working Conditions	5 Compensation ¹³	17. Minimum Wages 18. Overtime Wages 19. Method of Payment 20. Wage Information, Use and Deduction 21. Paid Leave 22. Social Security and Other Benefits
	6 Contracts and Human Resources	23. Employment Contracts 24. Contracting Procedures 25. Termination 26. Dialogue, Discipline and Disputes
	7 Occupational Safety and Health	27. OSH Management Systems 28. Chemicals and Hazardous Substances 29. Worker Protection 30. Working Environment 31. Health Services and First Aid 32. Welfare Facilities 33. Worker Accommodation 34. Emergency Preparedness
	8 Working Time	35. Regular Hours 36. Overtime 37. Leave

CALCULATING NON-COMPLIANCE

Better Work calculates non-compliance rates for each factory and reports these in individual factory reports. The non-compliance rate is reported for each subcategory, or compliance point, within a cluster. A compliance point is reported to be non-compliant if even one question within it is found in non-compliance.

In public reports, Better Work calculates the average non-compliance rates for all participating factories in each of these same sub-categories. For example, an average non-compliance rate of 100 per cent means that all participating factories were found to have a violation in that area.

While it is a strict indicator, the non-compliance rate is useful for Better Work to aggregate and compare data across countries. However, this number is not sufficient to fully describe the specific issues that Enterprise Advisors have observed during their assessment. For this reason, tables presenting average non-compliance findings at the question level are also presented in Section II with the title of In Focus tables. These tables, showing the number of factories found to be non-compliant to each specific question, allow the reader to fully appreciate the specific challenges in compliance identified in factory assessments.

NOTE ON THE FACTORIES REPRESENTED IN THIS REPORT

The report presents a snapshot of the non-compliance situation in the participating industry in the country at the time of the report. The rates presented in the synthesis report refer to participating industry averages.

The present report illustrates the findings of the assessments carried between June 2015 and December 2018.

LIMITATIONS IN THE ASSESSMENT PROCESS

The factory level assessments carried out by the BWB follow a thorough checklist of over 250 questions covering the above mentioned labour standards. Information is gathered through a variety of sources and techniques, including document reviews, observations on the factory floor, and interviews with managers, supervisors, workers and union representatives. In some cases, it is possible that locations for interviews on the factory floor, at the base of stairs, in transparent meeting rooms etc. was not conducive for workers to share critical information.

Detailed factory assessment reports are based solely on what was observed, investigated and analysed during the performance of the actual assessment. Factories are given five working days before the reports become official to provide feedback that may in some cases impact the final report language.

Certain issues remain very difficult to assess and verify independently. Sexual harassment is difficult to identify in a factory assessment visit. It is generally considered that due to the sensitive nature of the issue, sexual harassment is likely underreported. Workers experiencing sexual harassment are often reluctant to report it due to fear of stigma or retaliation.

Additionally, assessing compliance with freedom of association in Bangladesh presents many challenges. One challenge is that freedom of association is not adequately protected under Bangladeshi law. All workers, for example, do not have the right to form a labour union of their choice. BWB monitors other aspects of union operations, including access to factories by union officials and issues relating to interference in union affairs, anti-union discrimination, and strikes at the enterprise level. It is difficult to gauge the impact of the legal constraints on freedom of association on these other issues.

Lastly, but importantly, compliance assessments offer one opportunity to determine an objective yes or no answer to compliance on relevant issues. Context and situation can vary question by question for the relevant issues.

ANNEX B: FACTORIES COVERED IN THIS REPORT

Aboni Fashions Ltd.

Active Composite Mills Ltd.

Adhunik Poshak Shilpa Ltd.

AKH Apparels Ltd.

AKH Eco Apparels Ltd.

AKH Fashions Ltd.

AKH Shirts Ltd.

Aman Fashion & Designs Ltd

Aman Graphics & Designs Ltd.

Aman Winter Wears Ltd.

Ananta Casual Wear Ltd.

Ananta Denim Technology Ltd.

Ananta Garments Ltd.

Ananta Jeanswear Ltd.

Ananta Sportswear Ltd.

Angshuk Ltd.

Apparel Gallery Ltd.

Arabi Fashion Ltd.

Armana Apparels Ltd.

Armana Fashions Ltd.

Arunima Sportswear Ltd.

Ayesha Clothing Company Ltd.

Ayesha Clothing Company Ltd-02 (Printing Unit).

Ayesha Washing Limited

Azim Mannan Garments Ltd.

Banga Garments Ltd.

Bangla Poshak Ltd.

Barnali Fabrics Ltd.

Bellissima Apparels Ltd.

Bestwool Sweaters Ltd.

Birds Fadrex Ltd.

Birds Garments Ltd. Unit-2

Birds RNR Fashions Ltd.

BlueTex Knitwear Ltd.

Chorka Textile Ltd

Classic Fashion Concept Ltd.

Clifton Apparels Ltd.

Colossus Apparel Ltd.

Colossus Apparel Ltd. (Unit-2)

Columbia Apparels Ltd.

Columbia Garments Limited

Columbia Washing Plant Ltd

Cortz Apparels Ltd.

Cotton Club (BD) Ltd.

Cotton Zone Ltd.

Crazy Fashion Ltd.

Creative Collection Ltd.

Creative Wash Ltd.

Crescent Fashion and Design Ltd.

Crown Exclusive Wears Ltd.

Crown Wear (Pvt) Ltd.

Crystal Industrial Bangladesh Private Limited

Dada (Dhaka) Ltd.

Debonair Limited

Dekko Apparels Ltd.

Dekko Readywears Ltd.

Denimach Limited

Denimach Washing Limited

Denitex Limited

Dird Composite Textiles Ltd.

Dress Shirts Ltd.

Eco Couture Ltd.

Ecofab Limited.

Elegance Orientale Limited

Energypac Fashions Ltd.

Esquire Knit Composite Ltd.

Essential Clothing Ltd.

Esses Fashions Ltd.

Euro Jeans Ltd.

Ever Smart Bangladesh Ltd.

Executive Hi-Fashions Ltd.

Executive Intimates Limited

Express Washing & Dyeing Ltd.

Fakhruddin Textile Mills Ltd.

Fakir Apparels Ltd.

Fakir Fashion Ltd.

Fancy Fashion Sweaters Ltd.

Farseeing Knit Composite Ltd.

Flamingo Fashions Ltd.

Four Design (Pvt.) Ltd.

Four H Apparels Ltd.

Four H Lingerie Ltd.

Garib & Garib co. Ltd. Unit-2

Genesis Denim Limited

Global Shirts Ltd.

Hams Garments Ltd.

Hamza Clothing Ltd.

Hannan Fashions Ltd.

Hannan Knit & Textiles Ltd.

Hannan Knitwears Ltd.

Indesore Sweater Ltd.

Interfab Shirt Manufacturing Limited

International Knitwear and Apparels Ltd.

International Trading Services Ltd.

International Trading Services Ltd. (Wash Unit)

IRIS Design Ltd

IRIS Fabrics Ltd.

J. M. Fabrics Ltd.

Jeacon Garments Ltd.

Jeans Culture Ltd.

Jeans Plus Limited

Jinnat Knitwears Ltd.

JMS Composite Knitwear Ltd.

Karim Textiles Limited.

Kazipur Fashions Ltd. (Unit-1)

KDS IDR LTD.

Knit & Knitwears Ltd.

Knit Asia Limited

Knit Plus Ltd.

Mahmud Jeans Ltd.

Manami Fashions Ltd.

Mascot Fashions Ltd.

Mascot Garments Ltd.

Mascot Knits Ltd.

Masihata Sweaters Ltd.

Mawna Fashions Ltd.

Medlar Apparels Ltd.

Mega Yarn Dyeing Mills Limited

Meghna Knit Composite Ltd.

Men's Fashion Ltd

MM Fashions & Composite Ltd

Modern Washing & Dyeing Ind Ltd.

N.A.Z Bangladesh Ltd.

Nafa Apparels Ltd.

Natural Denims Ltd.

Needle Drop Ltd.

Next Collections Ltd

Northern Fashion Ltd.

Novel Hurricane Knit Garments Ltd.

Orbitex Knitwear Limited

Orchid Sweater Ltd.

Ornate Knit Garment Ind. Ltd.

Paradise Washing Plant Limited.

Peak Apparels Ltd.

Pioneer Knitwears (BD) Ltd.

Purbani Fashion Ltd.

Pure Cotton Knitwears Ltd.

Radial International Ltd.

Radial International Ltd. (unit 2)

Radiance Fashion Ltd.

Radiance Jeans Ltd.

Ragadi Textile Ltd.

Raquef Apparels Washing & Packing Ind. Ltd.

Ratul Knitwears Ltd.

Refat Garments Ltd.

Romo Fashion Today Ltd.

Russel Apparels

S.B. Style Composite Ltd.

S.F. Denim Apparels Ltd.

Safaa Sweaters Ltd.

Sajid Embroidery & Printing Ltd

Savar Sweaters Ltd.

Sawftex Ltd.

Sayem Fashions Ltd.

Shams Styling Wears Ltd.

SHANTA EXPRESSIONS LTD

Sharmin Apparels Ltd.

Shin Shin Apparels Ltd.

Shyms Fashions Limited

Sikder Apparel Hosiery Ltd.

Silver Composite Textile Mills Ltd(U-1, Garments)

Sinha Knitting Ltd.

Southern Services Limited

Sparrow Apparels Ltd.

SQ Birichina Ltd.

SQ Celsius Ltd.

SQ Celsius Ltd. (Unit-2)

Square Fashions Limited.

Square Fashions Ltd. (Unit-2)

Standard Group Ltd.

Standard Stitches Ltd. (Unit-2)

Standard Stitches Ltd. (Woven Unit)

Sterling Styles Ltd.

Sublime Greentex Limited

Supti Sweater Ltd.

Textown Ltd.

Texzone Knitwear Ltd.

That's It Garments Ltd.

That's It Sports Wear Ltd.

That's It Sweater Ltd.

The Civil Engineers Ltd.

The Civil Engineers Ltd. (Unit-2)

The Civil Engineers Ltd. (Woven Unit)

The Well Tex Ltd.

Tip Top Fashions Ltd.

Toyo Composite Knit Garments Ltd.

Transworld Sweater Ltd.

Tunic Apparels Ltd.

Uni Gears Ltd.

United Trousers Ltd.

Vintage Garments Ltd.

Vision Garments Ltd

Visual Knitwears Ltd.

Viyellatex Ltd.

Wear Mag Ltd.

Windy Apparels Ltd.

Winter Dress Limited

Yasin Knittex Ind. Ltd.

Zaheen Knitwears Ltd.

Zyta Apparels Ltd.

ANNEX C: BUYER PARTNERS IN BETTER WORK BANGLADESH

PVH Corp

Li & Fung Trading Ltd

American Eagle Outfitters, Inc

John Lewis

Target Australia

Global Brands Group

Kmart Australia Limited

zLabels GmbH

Marks and Spencer

Debenhams Plc

Inditex

H&M Hennes & Mauritz GBC AB

GAP Inc

Talbots, Inc

Ascena Retail Group Inc.

Abercrombie & Fitch

Fast Retailing Co.,Ltd

DICK's Sporting Goods Ltd.

Levi Strauss & Co

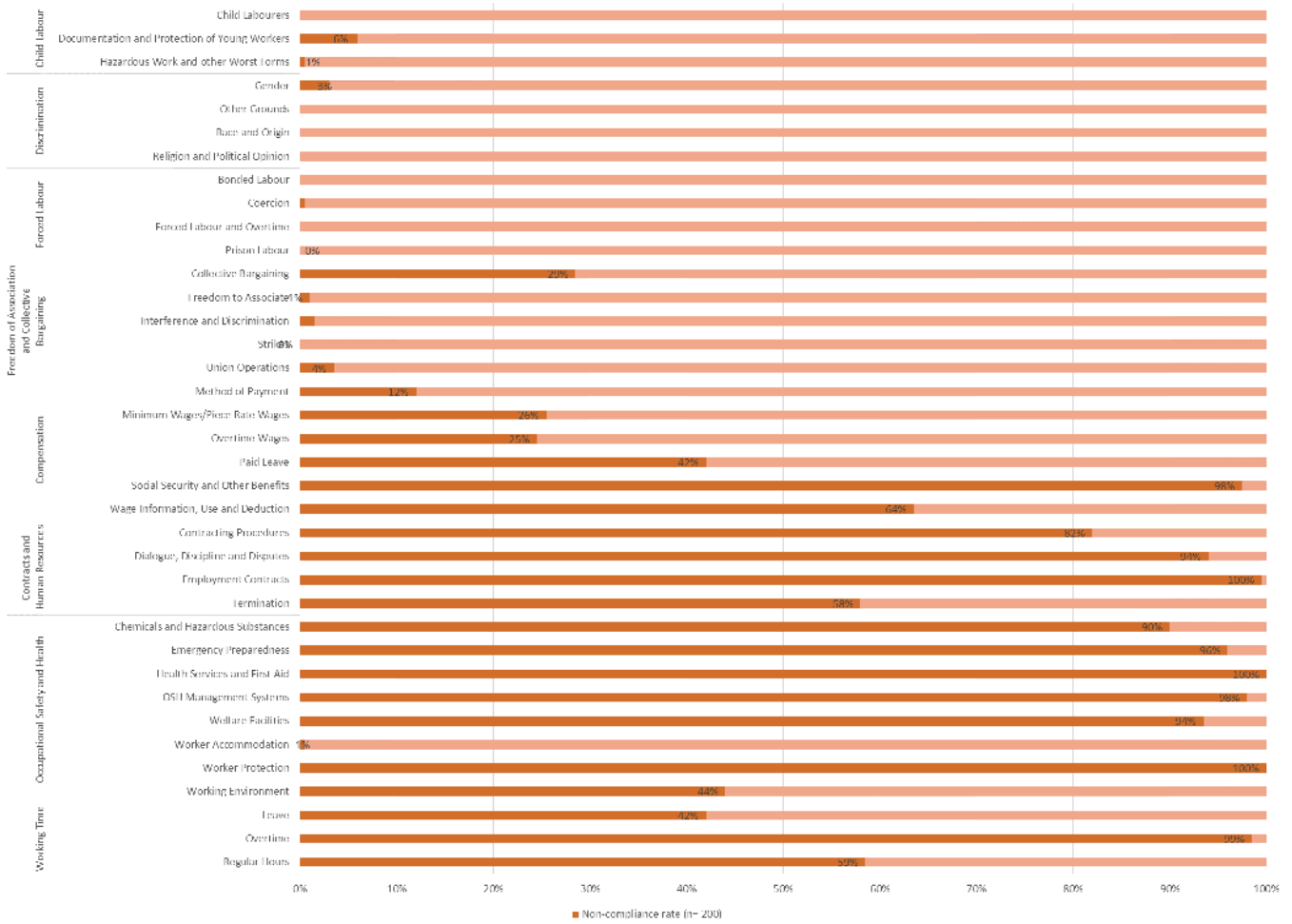
Target Corporation

PUMA SE

Ralph Lauren

ANNEX D: AN OVERVIEW OF NON-COMPLIANCE IN THIS REPORT

Non-compliance rates by Compliance Point - June 2015 - December 2018



END NOTES

- 1 France (Ministry of Labour, Employment, Vocational Training and Social Dialogue) was a BWB development partner in 2014 and 2015.
- 2 <https://betterwork.org/blog/portfolio/better-factories-cambodia-transparency-database-report/>
- 3 BWB Project Advisory Committee (BAC) was set up in June 2016 and includes four government members, four representatives from employers' associations and four trade unions members.
- 4 https://www.ilo.org/dhaka/Whatwedo/Publications/WCMS_658138/lang--en/index.htm
- 5 The law still allows for employers to play a role on election committees that conduct elections of worker representatives to participation committees in the absence of a union, which remains a concern.
- 6 http://www.ilo.org/dhaka/Whatwedo/Publications/WCMS_541971/lang--en/index.htm
- 7 <https://betterwork.org/blog/2019/03/14/bangladesh-factories-set-for-more-female-supervisors/>
- 8 For example, a non-compliance rate of 100 per cent means that all participating factories were found to have at least one violation in that area.
- 9 The labour law allows for “those that have completed 14 years” to be legally employed.
- 10 Exchange rates have been calculated based on XE Currency Converter in February 2019; <https://www.xe.com/currencyconverter/convert/?Amount=8%2C000&From=BDT&To=USD>
- 11 BWB periodically updates the Compliance Assessment Tool (CAT) used during assessments. Revisions to the CAT are periodically done to reflect changes to labour law and questions can be modified, new questions may be added, and questions may be outright deleted. When there are new versions of the CAT that include new questions, only the latest assessments will yield observations for new questions. For this reasons, there are a small number of compliance questions that have a different sample size than the total number of factories assessed during a certain time period.
- 12 BWB uses the question “Have you found non-compliance with legal requirements for compensation, contracts, OSH, and/or working time pertaining to non-production workers and/or sub-contracted workers?” to record non-compliance with legal requirements for compensation, contracts, OSH, and/or working time when the non-compliance pertains to non-production workers and/or sub-contracted workers.
- 13 The questionnaire for Bangladesh does not include CP 19 on Premium Pay. This is because the labour law of Bangladeshi does not specify premiums for working hours at night, on weekly rest days or on public holidays.



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