



THESIS REPORT
ON
IMPACT OF COMPLIANCE IN A
GARMENTS INDUSTRY
A STUDY IN
FAKIR APPARELS LIMITED

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DECLARATION

I sincerely declare that,

1. I am the sole writer of this report.
2. The details of training and experience contains in this report describe my Involvement as a trainee in the field of textile engineering.
3. All the information contain in this repot is certain and correct to the Knowledge of the author.

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TABLE OF CONTENT

Acknowledgement.....	3
Table of content.....	4-5
Introduction.....	6
Abstract.....	7
1. History of garments industry.....	8
1.1 Introduction	9
1.2 Export income of different fiscal years.....	10
1.3 Problem in garments industry.....	11
2. Objective of the study.....	12
2.1 Introduction.....	13
2.1.1 Broad objective.....	13
2.1.2 Specific objective.....	13
2.2 Scope of the report.....	13
2.3 Limitation of the report.....	13
3. Theoretical frame work.....	14
3.1 CSR and understanding of compliance practices.....	15
3.1.1 What does CSR.....	15-17
3.1.2 Meaning of social compliance.....	17
3.2 History of compliance.....	18
3.3 Major compliance issues.....	18-19
3.4 Key benefits of social compliance.....	20
3.5 Monthly training and awarness program conducted by compliance department.....	20
3.6 BSCI.....	20-21
3.7 WRAP.....	22-24

3.8 Compliance practices standers as per buyer requirement.....	24
3.9 Brief description about code of conduct.....	25-28
3.10 Function of compliances discipline.....	29-34
3.11 Advantage of compliance in RMG.....	35
4. Organizational overview.....	36
4.1 Compliance of Fakir apparels ltd.....	37
4.1.1 Introduction.....	37
4.1.2 Different compliance issues which Fakir apparels ltd maintained.....	38-40
4.1.3 Health and safty management.....	41-45
4.1.4 Internal compliance audit.....	45-47
4.1.5 Best worker and management relationship.....	47-50
4.1.6 Some picture of compliance items in Fakir apparels ltd are given.....	51-53
4.2 Special benefits beyond labour law.....	54-58
4.3 Code of conduct of Fakir apparels ltd.....	59-60
4.4 Some important certificates related to compliance achived by Fakir apparels ltd.....	61-64
4.5 Company's different important policies related to compliance.....	65-69
5. Impact of compliance for Fakir apparels ltd.....	70
5.1 Impact of compliance.....	71-72
6. Conclusion.....	73-74
7. Refference.....	75-76

INTRODUCTION

Compliance is a big problem for our export sector. There is no problem in our product rather than our products are touching the world class capability. There are no objections about our product. But the single big threat is compliance. Now this day's compliance is mandatory for all garments and export sector. But we are not fully conscious about this matter. Every day some accident is occurring in our factory. As a result buyers are losing there attraction from us.

Since accidents are common in our industry, owner of the factory are not conscious about the implement of compliance in there factory.

But it is the right time to take necessary step to be compliant, other wise our country will fall in financial crisis through it is the single big foreign currency earning sector for Bangladesh.

ABSTRACT

In this study I try to find out the contribution of social compliance practices for work environment development and its role for worker's job satisfaction. Another reason is to prepare a report for the fulfillment of the BSC in Textile Engineering.

In my Thesis report I conducted a survey research and my topic was **“Impact of compliance for Garment Industry– A Study in Fakir Apparels ltd.** This Thesis report is covered the factors that is related with compliance practice, functions and issues and compliance related variables that influence in workers satisfaction in Fakir Apparels ltd.

This research is conducted only in **Fakir Apparels ltd.**

The analysis i have given in the report shown that compliance practices and functions have a greater contribution for work environment development and better work environment has a strong effort in worker's satisfaction.

1

Chapter One

HISTORY OF GARMENTS INDUSTRY

1.1 Introduction

While agriculture for domestic consumption is Bangladesh's largest employment sector, the money gained from exporting garments and textiles is the single greatest source of economic growth in Bangladesh. Export of textiles, clothing, and ready-made garments accounted for 77% of Bangladesh's total merchandise exports in 2002. Only 5% of textile factories are owned by foreign investors, with most of the production being controlled by families or Bangladeshi companies.

Like other 3rd world countries Bangladesh is a developing country. Her economic development depends firstly on Agriculture and secondly on Industry. Although Bangladesh is not developed in industry, it has been enriched in Garment industries in the recent past years. In the field of Industrialization garment industry is a promising step. It has given the opportunity of employment to millions of unemployed, especially innumerable uneducated women of the country. It is making significant contribution in the field of our export income.

Once the cloth of Bangladesh achieved worldwide fame, Muslim and Jamdani cloth or our country were used as the luxurious garments of the royal figures in Europe and other countries. The British rulers in India didn't develop our cloth industries at all. Rather they destroyed them and imported cloths from England. After the emergence of Bangladesh radical change has come to our garment sector. At present there are about 3200 garment industries in the country and 75 percent of them are in Dhaka region. The rest are in Chittagong and Khulna. These Industries have employed fifty lacks of people and 85 percent of them are illiterate rural women. About 77 percent of our export earning comes from this sector.

The prime reason why garment industries have come out to be the champion in the field of export is obviously the cheap labor. Labor is not as cheap anywhere in the world as it is in Bangladesh. Women contribute to the working force in these garment factories, as they are relatively cheaper than men. A worker works here long hour's free or cheap meals. But this has not prevented thousands of women from work. It has given them a

steady income, economic independence, self-reliance and dignity, because they are earning their own living and managing their family expenses.

Over the last twelve years or so the garments industries have emerged as the largest source of earning foreign currency. About half of the foreign currency from the ready-made garments is earned from European Union and the U.S.A. Besides, Canada, Japan, Australia, New Zealand; Russia etc. also are other garments importing countries. At present about 20 countries of the world are importers of our garments. Its market is being expanded in the Middle East, Russia, Japan, Australia and many other countries.

1.2 Export income of different fiscal years

In 1977-1978 fiscal years Bangladesh exported forty thousand shirts in Germany and earned one million U.S. dollar. At the beginning of the 80's this industry flourished rapidly. In 1983-1984 fiscal years the income from garments raise to 6 crores 50 lacs US dollar. In 1998-99 it became 420 crores U.S. dollar. By 2003-2004 the factories multiplied three times. Simultaneously the export has also increased. The amount of export income in 2003-2004 increased to 568 crores US dollar. Items of exportable garments: Among the garments of Bangladesh are shirt, pajama, jeans-pant, jacket, trouser, hats, laboratory coat, sweater, pullover, jumper, jacket, trousers, gloves, sports dress, nightdress etc.

1.3 Problem in garment Industry

This promising industry has some problems impeding its development. Bangladesh imports raw materials for garments like cotton, thread color etc. This dependence on raw materials hampers the development of garments industry. Moreover, foreign suppliers often supply low quality materials, which result in low quality products. Most of the illiterate women workers employed in garments are unskilled and so their products often become lower in quality. Insufficient of loan in time, uncertainly of electricity, delay in getting materials, lack of communication, problem in taxes etc. Often obstruct the industry. In the world market 115 to 120 items of dress are in demand where as Bangladesh supplies only ten to twelve items of garments. India,

South Korea, Hong Kong, Singapore, Thailand, Taiwan etc, have made remarkable progress in garments industries. Bangladesh is going to challenge the garments of those countries in the world market.

Garments industries often pay dearly for political unrest, hartal and terrorism etc. The international market has withdrawn quota advantage over garments export from Bangladesh since December 2005.

Bangladesh has to advance cautiously for getting better position of her garments in the world market. Finally destruction of twin tower in 11 September 2001, invasion to Afghanistan and Iraq and depression in world Economy have seriously affected the export trade of Bangladesh.

2

CHAPTER TWO

Objective of the study

2.1 Introduction

This report is prepared primarily for the fulfillment of the Thesis Report, which is an essential part of the BSC in Textile Engineering at Daffodil International University, Dhaka. The report has two objectives:

2.1.1 Broad objective:

The broad objective of the study is to find out how compliance practices help in improvement of work environment in Fakir Apparels Ltd and how it contributes in worker's job satisfaction in Fakir Apparels Ltd.

2.1.2 Specific objectives:

The specific or the main objectives of this report will be:

- To know what is Compliance.
- To explore what are the functions and practices of Compliance.
- To know what is employee satisfaction and how compliance practices help in jobs satisfaction.
- Providing recommendation based on the survey.

2.2 Scope of the report

The scope of this research is within the Fakir Apparels ltd. territory of Dhaka. Though a large number of companies are practicing social compliances all over the Bangladesh but I have decided that my report will be based solely on Fakir Apparels ltd. By the help of this report we will be able to understand the pattern of compliance practices of Fakir Apparels ltd. In the end necessary recommendation will be provided as well.

2.3 Limitation of the report

Time is one of the critical factors here. Normally a good research takes from four to six months but I will be undertaking this research within about fifteen days. Secondly, I also do not have any literature review on which I can base my research and by which I can get help.

3

Chapter Three

Theoretical Framework

3.1 CSR&Understanding of compliarence practices

3.1.1 What does CSR

CSR is the process of assessing an organization's impact on society and evaluating their responsibilities. CSR begins with an assessment of a business and their Customers, Suppliers, Environment, Communities, Employees.

A successful CSR initiative takes organizations beyond compliance with legislation and leads them to honor ethical values and respect people, communities and the natural environment. CSR is sustainable - involving activities that your organization can maintain without adversely affecting your business goals. CSR is about more than environmental responsibility or having a recycling policy. CSR is about considering the whole picture, from your internal processes to your clients, taking in every step that your business takes during day-to-day operations.

CSR is long-term approach to business that addresses the needs of communities, people and their employers. CSR provides frameworks for successful enterprise that is harmonious with its surroundings. CSR is an opportunity to generate honest, authentic good-news stories that a business and its community can be proud of.

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Popular definitions of CSR:

[Carroll, 1979; 2008, 500]: "The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that a society has of organizations at a given point in time."

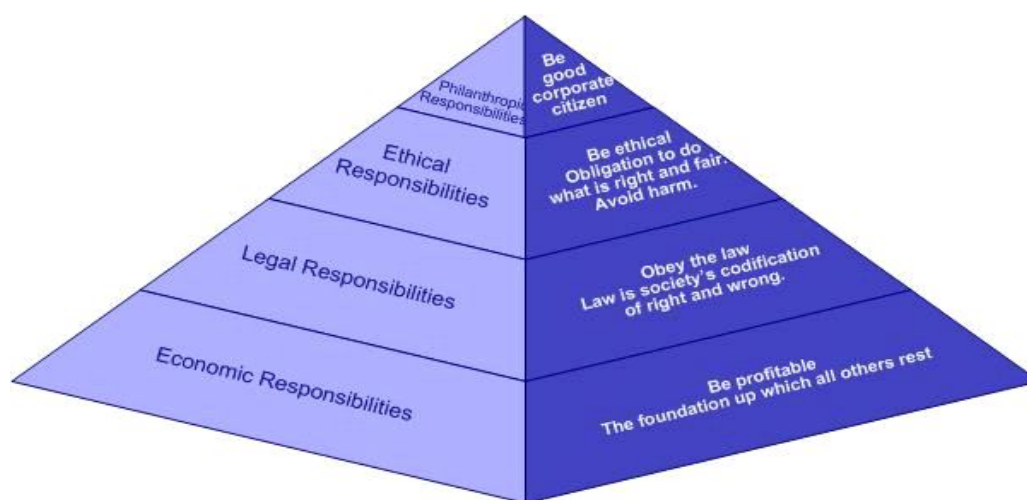
EU Definition of CSR: "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."

For a business to take responsibility for its actions, that business must be fully accountable. Social accounting, a concept describing the communication of social and environmental effects of a company's economic actions to particular interest groups within society and to society at large, is thus an important element of CSR.

Mallenbaker Definition: "CSR is about how companies manage the business processes to produce an overall positive impact on society"

In some nations, legal requirements for social accounting, auditing and reporting exist (e.g. in the French bilan social), though international or national agreement on meaningful measurements of social and environmental performance is difficult. Many companies now produce externally audited annual reports that cover Sustainable Development and CSR issues ("Triple Bottom Line Reports"), but the reports vary widely in format, style, and evaluation methodology (even within the same industry). Critics dismiss these reports as lip service, citing examples such as Enron's yearly "Corporate Responsibility Annual Report" and tobacco corporations' social reports.

The World Business Council for Sustainable Development (WBCSD): "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large"



Carroll's CSR Pyramid

1

Carroll's definition is often pictured in the above CSR Pyramid, and is where many CSR practitioners and theoreticians start. As can be seen above, he argued that companies should have economic responsibilities. Obviously, without making a profit then a company will cease to exist and CSR dies. However, the key issue is that CSR is not anti-profits, simply is all about how profits are made!

Carroll then goes on to mention legal responsibilities but doesn't consider those countries where the law is ignored (corrupt Governments for instance) or has been modified to support cronyism. No easy guide here, but remember that 'rules are made for the guidance of wise men, and the observance of fools'!

Ethical responsibilities come next, but it seems that ethical behavior (see, for instance, Business Ethics [Paperback, 2009, Prentice Hall], by Andrew Wicks, R. Edward Freeman, Patricia H. Werhane, Kirsten E. Martin and the discussion below) is not so easy to define. Perhaps the best is 'do unto others as you would wish to be treated yourself'.

At the top of the pyramid is 'philanthropy'. Prof. Donna Wood, one of the early pioneers in CSR [Adele Santana & Donna J. Wood (2009). Information Corporate Social Responsibility, and Wikipedia. Ethics and Information Technology, 11 (2), 133-144], has had a fascination with Carroll's pyramid and cites her student who, famously, put the pyramid on its head. In this way, philanthropy is seen as a first step toward CSR. Nevertheless, in my above model I would exclude philanthropy (see my thoughts on [INTERLINK] Philanthropy and CSR) and then not treat any of the levels as superior, or inferior, to any of the remaining others.

3.1.2 Meaning of social compliance:

Compliance refers to comply with laws of the country and the Code of Conduct (CoC) of the buyers. Compliance is the fulfillment or conformity with various International & National Standards on Social Standards.

It creates about the Ethical Labor Practice, Healthy & Safety environment. It is a natural consequence of good management, it encourages management to come

consequence of good management, it encourages management to come up with more difficult, yet cost effective solution and improvement of productivity.

3.2 History of Compliance

One of the first in 1992, when a public scandal followed a report in the Washington Post about the production of Levi Jeans by Chinese prison labor in the Island of Saipan. Levi Strauss immediately reacted by drawing up a code on labor standards (compliance) for all of its overseas suppliers. Wal-Mart, a major US company, was one of the first retailers to establish a comprehensive code in 1993.

3.3 Major Compliance Issues

Legal & social:

- Payment of wages/OT
- Granting Leave
- Festival bonus, Gratuity & PF
- Leave encashment
- Termination, Retrenchment, Dismissal, Discharge
- Workers Association or Collective Bargaining
- Child labor
- Working hour
- Disciplinary action
- Misbehavior / abusive words
- Sexual harassment
- Threatening
- Discrimination or disrespect
- Counseling

- Child care, canteen, dining hall facilities

Health & Safety:

- General: committee, policy & emergency requirement
- Chemical Safety
- Work Place: Electric Wring, Fixtures and control
- Exits & Access
- Emergency Exits
- Fire Protection & Drill
- Housekeeping & general work environment
- Machines & Equipment safety
- Materials: Flammable, Liquids, Oxidizing, Chemicals.
- Toxic materials
- Employee's physical protection: Personal protective Equipments.
- First Aid & Medical facilities

Environmental:

- ETP
- Noise
- Solid wastage disposal
- Flame

Security:

- C-TPAT
- 7 point check

- Physical Movement Access control

3.4 Key benefits of Social Compliance:

Why Compliance:

- To sustain existing buyers
- To attract new buyers
- To meet Government requirement
- Ensure benefits of the workers
- Maintaining good relationship between workers and Management
- Environmental safety
- Social accountability

3.5 Monthly Training And Awareness Program conducted by Compliance Department

- Chemical Safety Awareness Training
- Social Awareness Training
- Mid Level Management Training
- Health & Safety Awareness Training
- Monthly Fire Drill

3.6 BSCI

- In the context of globalisation and international competition, many companies source labour-intensive goods from developing and newly industrialised countries

- However, working conditions in these countries often do not comply with basic labour standards, such as those established by the International Labour Organization (ILO).
- The proliferation of individual codes, varying audit procedures and diverging approaches, has resulted in audit duplications within the same factory.
- This leads to unnecessary efforts, confusion about requirements, lack of transparency and accountability, and higher costs for companies and their suppliers in risk countries.

The Business Social Compliance Initiative (BSCI) works to tackle these challenges by offering a broad platform for cooperation

Principles of BSCI

- **Committed:** members commit to implement the BSCI Code of Conduct as part of their business relations with suppliers, showing a willingness to improve the working conditions in their supply chain.
- **Consistent:** The BSCI offers a unique and uniform system for suppliers worldwide consisting of one Code of Conduct and one implementation process, ensuring consistency and comparability of audits.
- **Comprehensive:** The BSCI social compliance system is applicable to both large and small companies and covers all products (industrialized and primary production) sourced from any country.
- **Development oriented:** The BSCI is not a certification scheme, offers a step by step development approach that helps suppliers implement the Code of Conduct gradually. Suppliers who meet all BSCI requirements are encouraged to go further and achieve our best practice, the SA8000 social management system and certification developed by Social Accountability International (SAI).

- Credible: BSCI only use external, experienced and independent auditing companies to perform audits.
- Focused on risk countries: BSCI focuses on risk countries where violations of workers' rights occur frequently. The main sourcing countries, based on audits performed, are China, Bangladesh, India, Turkey and Vietnam.
- Efficient: BSCI maintain a common database of suppliers creates efficiencies and avoids duplicating audits at factories already in the system.
- Knowledge-based: The BSCI system integrates learning at the supplier level to develop their knowledge and skills on how to improve working conditions on the factory floor.
- Collaborative: BSCI cultivates involvement of relevant stakeholders in Europe and supplier countries.

3.7 WRAP

- Many manufacturers have commented that WRAP has not only resulted in more reliable social compliance, but has contributed to greater productivity, lower turnover, improved communications between management and employees, safer working conditions and improved morale.
- Today, WRAP is being recognized by many retailers and manufacturers as the most reliable, yet economically efficient factory compliance system to assure lawful, ethical and humane manufacturing.

WRAP 12 principal

- Compliance with Laws and Workplace Regulations Facilities will comply with laws and regulations in all locations where they conduct business.
- Prohibition of Forced Labor Facilities will not use involuntary or forced labor.

- Prohibition of Child Labor Facilities will not hire any employee under the age of 14 or under the minimum age established by law for employment, whichever is greater, or any employee whose employment would interfere with compulsory schooling.
- Prohibition of Harassment or Abuse Facilities will provide a work environment free of supervisory or co-worker harassment or abuse, and free of corporal punishment in any form.
- Compensation and Benefits Facilities will pay at least the minimum total compensation required by local law, including all mandated wages, allowances & benefits
- Hours of Work Hours worked each day, and days worked each week, shall not exceed the limitations of the country's law. Facilities will provide at least one day off in every seven-day period, except as required to meet urgent business needs.
- Prohibition of Discrimination Facilities will employ, pay, promote, and terminate workers on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs.
- Health and Safety Facilities will provide a safe and healthy work environment. Where residential housing is provided for workers, facilities will provide safe and healthy housing.
- Freedom of Association and Collective Bargaining Facilities will recognize and respect the right of employees to exercise their lawful rights of free association and collective bargaining.

- Environment Facilities will comply with environmental rules, regulations and standards applicable to their operations, and will observe environmentally conscious practices in all locations where they operate.
- Customs Compliance Facilities will comply with applicable customs laws, and in particular, will establish and maintain programs to comply with customs laws regarding illegal transshipment of finished products.
- Security Facilities will maintain facility security procedures to guard against the introduction of non-manifested cargo into outbound shipments (i.e. drugs, explosives biohazards and /or other contraband).

3.8 Compliance practices standards as per buyer requirement

Large firms, conscious of their image, often set up their own codes of conduct for the exporters and manufacturers in the developing countries to ensure that all standards are being complied with.

These firms do not rely on ISO or other certifications and send their own auditors to evaluate a company's performance. An example in this regard is Fakir Apparels ltd., It does not permit the use of chemicals such as azo dyes or cadmium in Textile products. Fakir Apparels ltd also applies the strictest possible (German) regulations on pentachlorophenol.

Fakir Apparels ltd. also provides a niche for "organically grown" cotton, meaning that no artificial fertilizers or chemical biocides have been used in its cultivation.

3.9 Brief description about code of conduct (COC)

Code of Conduct (Gap Incorporation)

This Code of Vendor Conduct applies to all factories that produce goods for Gap Inc. or any of its subsidiaries, divisions, affiliates or agents (“Gap Inc”).

While Gap Inc. recognizes that there are different legal and cultural environments in which factories operate throughout the world, this Code sets forth the basic requirements that all factories must meet in order to do business with Gap Inc. The Code also provides the foundation for Gap Inc.’s ongoing evaluation of a factory’s employment practices and environmental compliance.

I. General Principle

Factories that produce goods for Gap Inc. shall operate in full compliance with the laws of their respective countries and with all other applicable laws, rules and regulations.

A. The factory operates in full compliance with all applicable laws, rules and regulations, including those relating to labor, worker health and safety, and the environment.

B. The factory allows Gap Inc. and/or any of its representatives or agent’s unrestricted access to its facilities and to all relevant records at all times, whether or not notice is provided in advance.

II. Environment

Factories must comply with all applicable environmental laws and regulations. Where such requirements are less stringent than Gap Inc.’s own, factories are encouraged to meet the standards outlined in Gap Inc.’s statement of environmental principles.

A. The factory has an environmental management system or plan.

B. The factory has procedures for notifying local community authorities in case of accidental discharge or release or any other environmental emergency.

III. Discrimination

Factories shall employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs.

A. The factory employs workers without regard to race, color, gender, nationality, religion, age, maternity or marital status.

B. The factory pays workers wages and provides benefits without regard to race, color, gender, nationality, religion, age, maternity or marital status.

IV. Forced Labor

A. The factory does not use involuntary labor of any kind, including prison labor, debt bondage or forced labor by governments.

B. If the factory recruits foreign contract workers, the factory pays agency recruitment commissions and does not require any worker to remain in employment for any period of time against his or her will.

V. Child Labor

Factories shall employ only workers who meet the applicable minimum legal age requirement or are at least 14 years of age, whichever is greater. Factories must also comply with all other applicable child labor laws. Factories are encouraged to develop lawful workplace apprenticeship programs for the educational benefit of their workers, provided that all participants meet both Gap Inc.'s minimum age standard of 14 and the minimum legal age requirement.

A. Every worker employed by the factory is at least 14 years of age and meets the applicable minimum legal age requirement.

B. The factory complies with all applicable child labor laws, including those related to hiring, wages, hours worked, overtime and working conditions.

C. The factory encourages and allows eligible workers, especially younger workers, to attend night classes and participate in work-study programs and other government sponsored educational programs.

D. The factory maintains official documentation for every worker that verifies the worker's date of birth. In those countries where official documents are not available to confirm exact date of birth, the factory confirms age using an appropriate and reliable assessment method.

VI. Wages & Hours

Factories shall set working hours, wages and overtime pay in compliance with all applicable laws. Workers shall be paid at least the minimum legal wage or a wage that meets local industry standards, whichever is greater. While it is understood that overtime is often required in garment production, factories shall carry out operations in ways that limit overtime to a level that ensures humane and productive working conditions.

A. Workers are paid at least the minimum legal wage or the local industry standard, whichever is greater.

B. The factory pays overtime and any incentive (or piece) rates that meet all legal requirements or the local industry standard, whichever is greater. Hourly wage rates for overtime must be higher than the rates for the regular work shift.

C. The factory does not require, on a regularly scheduled basis, a work week in excess of
60 hours.

D. Workers may refuse overtime without any threat of penalty, punishment or dismissal.

E. Workers have at least one day off in seven.

F. The factory provides paid annual leave and holidays as required by law or which meet the local industry standard, whichever is greater.

G. For each pay period, the factory provides workers an understandable wage statement which includes days worked, wage or piece rate earned per day, hours of overtime at each specified rate, bonuses, allowances and legal or contractual deductions.

VII. Working Conditions

Factories must treat all workers with respect and dignity and provide them with a safe and healthy environment. Factories shall comply with all applicable laws and regulations regarding working conditions. Factories shall not use corporal punishment or any other form of physical or psychological coercion. Factories must be sufficiently lighted and ventilated, aisles accessible, machinery maintained, and hazardous materials sensibly stored and disposed of. Factories providing housing for workers must keep these facilities clean and safe.

Factory:

A. The factory does not engage in or permit physical acts to punish or coerce workers.

B. The factory does not engage in or permit psychological coercion or any other form of non-physical abuse, including threats of violence, sexual harassment, screaming or other verbal abuse.

C. The factory complies with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection, and electrical, mechanical and structural safety.

D. Work surface lighting in production areas—such as sewing, knitting, pressing and cutting—is sufficient for the safe performance of production activities.

E. The factory is well ventilated. There are windows, fans, air conditioners or heaters in all work areas for adequate circulation, ventilation and temperature control.

3.10 Functions of Compliances discipline

Execute accurate, objective and high quality social compliance assessments by following all company and client requirements, Prioritize, plan and organize assessment work and projects efficiently, Submit high quality deliverables (reports, audit recaps, projects, etc) in a timely manner, Learn and understand: local labor, wage and safety laws; labor contracts; client codes of conduct and international human rights standards. Apply this knowledge to assess compliance levels of business practices, Travel and plan trips with short notice according to company policy and requirements, Assist with trip planning functions as needed, Consult and coordinate with Operations Supervisor, Quality Assurance Reviewer, Client Account Manager and other personnel to better understand the clients' needs, maximize level of service, encourage relationship building, and provide quality service solutions to customer demands, Perform other position related duties as assigned

Applying for different types of certifications, correspond with the certification providing organizations, ensuring their required code of conduct. Facilitate Audit for the particular certification organization; follow up corrective action plan (CAP).

Prepare and maintain the following of the registers and documents, ensuring the requirements and follow up the following checklists.

Statutory Registers Updated.

1. Compensatory Holiday, 2. Adult Register 3. Leave with Wages, 4. Health Register, 5. Accident Register, 6. Dangerous Occurrences 7. Inspection Register 8. Suspension Register, 9. Deduction Register, 10. Deduction for damages, 11. National & Festival Holiday, 12. Accident Register, 13. Overtime Register

,

License Renewal

1. Inspector of Factory License Renewal, 2. Plan Approval from IF (Revised, 3. Fire License to Production, 4. Fire License to Diesel Storage, 5. Plan Approval from Fire Service, 6. Local License (Municipality/Corporation Etc.) 7. Plan Approval from Local, 8. Stability Certificate 9. Water Testing Certificate 10. Calibration Certificate to All Weighing Machine 11. Calibration Certificate to All Scales 12. Calibration Certificate to Metal Detector

Displays:

1. Factory Act Abstract, 2. Minimum Wages Abstract, 3. The Payment of Wages Abstract, 4. The Payment of Gratuity Abstract, 5. The Maternity Benefit Act Abstract, 6. The Payment of Bonus Abstract, 7. Holiday Notice (Weekly, National & Festival Holiday), 8. Notice of Nearest Hospital, Fire Station, Police Station etc., 9. Notice Important Officials Phone Numbers.

Building

Name Sign to All Rooms or Area, Indicators or Direction from Security Gate onwards, Aisle marking (Aisle width minimum 112 cm), Indicators Arrows in the passage, Aisle without block.

Health

1. Drinking Water, (At least 4.5 Liters water provided per day per employee). 2. Water Testing Certificate, 3. Drinking Water, Cup availability, 4. Drinking Water centre (one place to every 150 employees up to 500), 5. Water Cooler / Heater available at every canteen, dining hall, rest room etc. 6. Drinking Water Signage in English and Bangla. 7. Drinking Water vessel cleaned at least once in a day, 8. Water Reservoir or Tank Cleaned at least once in a week, 9. Water centre cleaning condition, 10. Water Vessel Cleaning log sheet

Toilets

Toilet Seat to Every 20 Women/men, All toilet seat with proper privacy and lock facility

Urinal Accommodation Min. 61 cm for every 50 employees up to first 500, Urinal Accommodation Min. 61 cm for every 100 employees for above 500, Effective water Sewage system, Soap/ Towel, Bathroom Lock, Water tap, Dust Bins, Buckets with mug at toilets, Daily Cleaning Log sheet provided, Adequate Water Tabs, No smoking Sign in Toilet, Awareness Quotes in Toilets, Ladies / Gents Toilet Name Sign in Bangla and English Language with Picture.

Spittoons

Adequate Spittoons, Spittoons filled by Sand or Suitable disinfectant, Spittoons covered by bleaching powder layer, Spittoons scrapped or cleaned at least once in every day

Others

Disposal of Wastes and effluents, Room Temperature, Lighting facility, Trees on factory campus

Safety Guards

1. Metal Glows on good Condition, 2. Rubber Mat to ironers, 3. Rubber Glows to ironers, 4. Motor Guard, 5. Needle Guard 6. Eye Guard 7. Paddle Mat 8. Scissors and

trimmers are tied 9. Mask 10. Needle disposal once in six month 11. Broken Needle Register

Dining Hall

Dining Hall with sufficient Space, Dining Hall with Sufficient Chair/Table, Water Facility

Medical Center

Ambulance Room, Doctor Visit, Nurse, Medicines, Medicines Issuing Record Sufficient Space, Daily Register

Daycare Center

Cradle, Toys, Postures, Wash Room Facility, Toilet, Milk, Eatables Available, Drinking Water, Ventilation, Chairs for mothers, Shady playground for older children

First Aid:

First Aid Boxes with All medicines, First Aid Boxes Location List, First Aid Box Daily Checklist, First Aid Training employees (20 %), First Aid Trainer Name & Photo List, First Box once for 150 employees, First Aid Stations

Fire

Sufficient Fire Extinguisher, Fire Extinguisher all in good Condition, Fire Extinguisher Location List, Fire Extinguisher Service Checklist, Fire Signage in Bangla & English, Usage Guide in dual language, Fire Extinguisher Color Background Marking, Refilling Service Done, Fire Certified persons photo, Evacuation Drill (External) Every Six Month, Evacuation Drill (External) File, Evacuation Drill (Internal) Every Three Month, Evacuation Drill (Internal) File, Sufficient Fire Safety trained employees, Fire safety trained employees name & Photo List, Fire Buckets to Diesel Storage Area with Water and Sand, Fire Buckets to Boiler Room with Water and Sand, Fire Buckets to Motor Room with Water and Sand, Fire Buckets to Appropriate place.

Evacuation Plan in all Floor / Area

Emergency Exit

Emergency Exit on Open, Emergency Exit Signage, Emergency Exit Board Light with UPS Connection,

Emergency Light

Emergency Light to All room / Area Adequate, Emergency Light to All staircase, Emergency Light to All Exit & Emergency Exit, Emergency Light Location List, Emergency Light kept on 6 feet height, Sufficient Spare Emergency Light in stock, Emergency Electricity Switch off System (floor wise), Signage Emergency Electricity Switch Off, No Hindrance Emergency Switch off Access Area.

Chemical Users Awareness

Committees

Worker Participatory Committee (WPC), Worker Participatory Committee Meeting, Worker Participatory Committee Meeting File (with Circular, Agenda, Minutes, etc.) Worker Participatory Committee Meeting Photos.

Health & Safety Committee, Health & Safety Committee Meeting, Health & Safety Committee Meeting File (with Circular, Agenda, Minutes, etc.) Health & Safety Committee Meeting Photos.

Canteen Committee, Canteen Committee Meeting, Canteen Committee Meeting File (with Circular, Agenda, Minutes, etc.), Canteen Committee Meeting Photos

Transport Committee, Transport Committee Meeting, Transport Committee Meeting File (with Circular, Agenda, Minutes, etc.), Transport Committee Meeting Photos

Harassment & Discrimination Committee, H & D Committee Meeting, H & D Committee Meeting File (with Circular, Agenda, Minutes, etc.), H & D Committee Meeting Photos

H.R. Checklist

Personnel File to All, Application Form, Passport Size Photo, Educational Qualification Certificate, Age Proof, I.D. Proof, Address Proof, Technical Certificate Previous Company Experience/Relieving order, Old Salary Slip, Gratuity Nomination Form , Appointment Order, Insurance, Employee Manual, I'd. Card to All, Adequate Swiping machine, Punching Card to All, Awareness Programmer, Stress Relieve Counseling, Leave Card, Performance appraisal Exit Interview.

Salary

Salary payment within 7th working day every month, Bank Salary Account to all, Minimum Wages, Basic, Over Time, Double Salary to Over Time, Any unwanted deduction for employee, Unpaid salary are reversed, Pay Cover Availability

Security

Adequate Securities, Lady Guards, Visitors Note, Others In-Out Register, Material Inward Register, Material Outward Register, Vehicle Movement Register, Visitor Pass Visitor Slip, Guards Knowledge about their Roles & Responsibilities, Securities Personnel File, Securities Uniform/Cap/Shoe/Belt etc., Securities Knowledge about Fire Evacuation & Fire Safety, Security Agreement file (If outsourced), Security Salary register file (If outsourced).

Others

1.Needle Control Policy, 2.Sexual Harassment Policy, 3.Health and Safety Policy, 4.Child labor abolition policy, 5.Antidiscrimination policy, 6.Voluntary Work Policy, 7.Urgent Business need policy, 8.Zero abusement policy, 9.Working hour

policy, 10. Broken needle policy, 11. Hiring or Recruitment policy, 12. Environmental policy, 13. Security policy

1. Buyers code of conduct, 2. Workmen Committee Members Photo with Name, 3. Health & Safety Committee Members Photo with Name, 4. Canteen Members Photo with Name, 5. Transport Committee Members Photo with Name, 6. Harassment & Discrimination committee Members Photo with Name, 7. Organization Chart with manpower details.

3.11 Advantages of compliance in RMG

- i) Gets higher price of products
- ii) Free from labor unrest.
- iii) Reduce worker turnover rate.
- iv) Increased worker morality.
- v) Increased productivity.
- vi) Increased product quality.
- vii) Have global image and global recognition for their performance.
- viii) Good public or community relation.
- ix) Improved government-industry relation.
- x) Satisfaction of the buyer requirement.
- xi) Can work directly with reputed buyers.
- xii) Have consistency in order.

4

Chapter four

Fakir Apparels Ltd.

ORGANIZATIONAL OVERVIEW

4.1 Compliance of Fakir Apparel Ltd

4.1.2 Introduction

Personal Protective Equipments must be used for factory workers. So that It is a matter of pride that Fakir Apparels has no record of accidents in last 9 years of companies operations. In every factory, a safe and friendly working environment is a priority. A round the clock medical treatment facility, including physicians, trained nurses and medication is available to meet any emergency. A hygienic giant dining hall is maintained and safe drinking water is available in everywhere. It has also a prayer hall, recreation center and a games room. There is also a day-care center for the babies of the workers.

Seven garment factories were awarded the '1st Social and Environmental Excellence Awards 2012 (SEE Awards 2012)' at a city hotel for their outstanding contribution to environmental protection and social compliance.

The awards were given in three broader categories including Social Compliance, Innovative Idea and Environmental Standards. There are several sub-categories under these categories.

Under Social Compliance category the 'Health and Safety' award Fakir Apparels Ltd -- the 'Best Worker and Management Relationship' award and Fakir Apparels Ltd -- also the 'Special Benefits/Benefits beyond Labor Law' award.

4.1.3 Different compliance issues which FAKIR APPARELS LTD maintained

- **Admin & HR department**

1. personal policise:

- Recruitment policy.
- Leave and holidays policies.

2. Attendance and leave register card:

- Their weekly working hour not more than 66 hours including overtime in a week.
- They have the approved manpower list.

- **Health & hygiene**

- First aid ensures.
- Medicine registers.
- Ambulance
- Maternity & pregnancy register.
- Pure drinking water.
- Dustbin & spittoons.
- Wash basin.
- Separate toilets for men & women.

- **Safety**

- Safety committee
- Needle detector
- Fire alarm & switch

- Evacuation plan
 - Smoke detector
 - Fire extinguisher
 - Gas mask
 - Personal protective equipments
 - Rubber mats to every iron man
-
- **Welfare**
 - Welfare committee
-
- **Workplace condition**
 - Working place is safe and hygienic.
 - Safety of building and machineries.
 - Lighting.
-
- **Leaves & holidays**
 - Weekly holiday
 - Annual leave with wage
 - Festival holiday
 - Casual leave
 - Sick leave

- **Salary & wages**

- Fix wages in considering minimum wages which is declared by the government.
- Salary and wages given before 10th day of month.

- **Environment:**

Procedure and standards for waste management, handling and disposal of chemicals and other dangerous materials, emissions & effluent treatment must or exceed minimum legal requirements

- **Employment relationship:**

Communication & relationship between management and workers are very good.

- **Others**

- Attendance & leave register card.
- To maintain daily labor or manpower report.
- Canteen facility.
- Compliance item.

4.1.4 Health and safety management

Introduction:

Fakir Apparels Ltd. is very conscious about health & safety. Every month there is a meeting on health & Safety. They have a health & Safety committee. This committee consists of sixty persons. There are managers, workers, fire safety people, and security in charges in this committee. They have a documented health & Safety policy, signed by senior management. They also review this policy time to time.



Working condition:

In Fakir Apparels Ltd. working condition is very healthy. Ventilation is excellent. Lighting is sufficient. Drinking water is safe. They test their drinking water from BUET every after three month. Cleanliness is very high standard. For cleanliness Fakir Apparels Ltd. has 106 ladies cleaner. All cleaner are their own paid. No outsource cleaner they have. Fakir Apparels Ltd. has 259 toilets, out of these for female toilet 108 & 151 toilets for male worker. To clean the toilet they have 20 sweepers.

Health Management:

For their workers emergency treatment they have one doctor, two nurses, permanently. More over Marie Stopes comes to their factory 12 days in a month. They have an ambulance to take the patient to Dhaka or Narayangonj govt. hospital. In each floor they have first aid box and first aid trainer in each floor. First aiders are trained every month.

They have also contracted with Smiling Sun clinic for treatment our workers and their family.

Fire Safety:

They have a written fire safety policy. They have also retired persons from Bangladesh fire service & civil defense. In their factory 24 persons are there in fire section. They do duty 8 persons in each shift. Total three shift. They have 833 fire extinguishers (A,B,C , Co2),06 Panel board. 180 smoke detector. Moreover every month they practice fire drill.

**Chemical Safety:**

All Chemicals they have Material Safety Data Sheet (MSDS). All container of chemical they use correct label. They also assess chemical risk assessment. They also bring out risk reduction action plan. They have regular training for safe chemical handling.

Machine Safety:

The entire machine they have safety guard. All workers are using safety guard at their machine. They have regular machine maintenance program.

Personal Protective Equipments (PPE):

Their workers are using PPE,S where required. They provide all kind of PPE,s for the worker with free of cost.

Occupational Health & Safety Training:

They have regular health and safety training for their workers. They have also health and safety team at their organization and they have regular health and safety meeting.



Electrical Safety :

Every machine has separate circuit breaker. For more safety they have proper earthing. For each zone they have main distribution point (MDB). Each floor has sub distribution point (SDB). For three to four fans there is circuit breaker. For every fan & light there is individual switch. They use bus bar system for more electric safety.

Their factory has been done electric safety audit by third party.

Staff Transport:

The transports they have, all the drivers have legal license. All vehicles have first party insurance.

C-TPAT : they have implemented following:-

- Factory Security & Shipment Security - implemented.
- Container / closed Truck Security - implemented.
- Physical Access control - implemented.

- Personal security- implemented.
- Procedural security- implemented.
- Physical security- implemented.
- Information Technology Security – Partially Implemented.



Wastage Management

Liquid wastage:

After the uses of water in the dyeing section and other housekeeping activities wasted water goes to ETP for treatment. ETP recycle the water and finally drain out the recycled water to canal which water is not harmful for the environment.

Solid wastage :

They collect all fabric jutes, Garbage, Wastage Paper, Empty Drum, Empty Container, Empty Bottle, Wastage Plastic, Broken Wooden box, Wastage Table, Chair, Wastage Furniture, Button, Hanger, Fabric, Polly, Zipper, Fused Tube Light, Broken Glass & other Wastage from the concerned sections and then they dispose these wastage after a certain period in the reassigned location. Some are sold or returned to the outside suppliers.

Housekeeping:

Housekeeping is more than just sweeping the floor and wiping dust off machines and equipment Eliminates accident and fire causes. The most critical and most overlooked part of housekeeping is ORDER. A work area is in order when there are no unnecessary objects in the area and when all necessary items are in their proper places.

- Eliminates accident and fire causes
- Helps control property damage
- Encourages better working habits
- Reflects an image of a well-run operation
- Reduces the amount of cleanup and janitorial work
- Keeps inventory of materials to a minimum

4.1.5 Internal Compliance Audit

They are conducting a periodical Social Compliance Internal Audit after every four months to scrutinize out their status. Some of the major areas are pointed out bellow that they cover in Internal Social Compliance Audit.

Documentation :

- Worker's Grading consistency with their jobs
- Worker's Salary consistency according to their grade.

- OT hour and payment.
- Doctors endorsement.
- Appointment letter.
- Age verification .

Production area :

- Evacuation plan .
- Spot removing room.
- Exit boxes.
- Fire alarm.
- Smoke detector.
- PPEs for every worker.
- Aisles marking.
- Fire safety equipments .
- Toilets & Urinal's hygienic.
- Cleanliness of production area etc.

Others

- Canteen committee .
- Health & safety committee.
- Daycare facilities.
- Dining facilities.
- Chemical storage area.
- Color mixing room,

- Security issues.

Effluent Treatment Plant:

- Regular monitoring.
- Slag management.
- Maintaining communication with Ministry of Environment .
- Ensuring standard flow of the water .
- Maintaining Proper registers.



4.1.6 Best worker and management relationship

Fakir apparels Ltd. may be the milestone for its remarkable best worker and management relationship. In this perspective, they consider the following best practices on the points given:

Effective participation committee:

Here i want to mention that their participation committee has been consisted of the declared election, maintaining the all rules and regulations of the Bangladesh Labor

Law-2006. they at first make an EC to operate an election of participation committee and after getting nomination paper, they short the list according to the rules. After the verification of the candidature at announced date, the election held. After it, votes are calculated in front of the candidates and the audience, and then the result is declared. Then with the combination of their management part, a fruitful participation committee is consisted in their company.

Work Procedure of Participation Committee:

They sit for meeting once in every two months periodically with the members of PC. Before this, they notice the meeting in black and white with meeting agenda and attach it to the notice board. Moreover, they announce it by PA system. At the beginning of the meeting first they discuss the progress of the previous meeting. They display every meeting minute at the notice board and also deliver to responsible persons for reporting.

Example of Solving Various Disputes through Dialogue between Workers and Management:

They solve the disputes mentioned bellow through dialogue between workers and management:

1. Wage related: At January, 2012. PC claims that the daily commodity price is increasing day by day, so the salary should be increased. After this the management took initiative to increase the salary and made a committee for investigating the necessity. Then the management increased the salary by verifying the argument at 10%-15%.
2. Rate of the piece (per peace): When the new style is launched at the factory then they made a committee consists with workers and management .The committee evaluating the value fix the rate and this rate is display at notice board.
3. Leave related: During the festival they discuss with worker to increase or decrease leave duration. Most of the times they ask for 2/3 days extra leave in lieu of Friday work. The management takes decision by discussing with the PC as well as workers.

4. Workers welfare related: At August, 2012 they have increased Zakat per head BDT 600.00 to BDT 1000.00 by discussing with workers.

5. Grievance related: The normal grievances are resolved by the management decision but if it is critical then it is solved by discussing with PC.

Monthly/quarterly meeting between workers and top management:

Fakir Apparels Ltd. does its PC meeting in every two month. Here the in PC all members are presented and from the management side the top management is presented. The PC leader and the members raise their critical issues to the top management, the top management discusses the matter with PC committee and at that meeting, and the problem is solved and gets reasonable solution by the discussions.

Effective Communication Procedure:

They maintain the effective communication by the way below:

1. Internal Announcements Procedure: They have a central sound system that covers the whole factory to communicate with worker for any issue.

2. Notice Board: They have separate notice board in every floor. All kinds of policies and office circulars are pasted there in local language time to time as the worker can easily understand.



3. Training: They organize regular training programmed to aware their workers and mid level management as well. They have training on First Aid, Fire Safety, New Employee Orientation, PPE Use, Machine Safety, Floor Non Compliance Management, Grievance Procedure, Security Training, H & M & COC Film Programme, Chemical Safety, Health & Safety, House Keeping, 5S Management, Social Awareness etc. For mid level management they have regular Skill Building Training on different processes.

4. Multi-media presentation: They use multi-media presentation to aware their workers and catch their idea to generate highest level of safety inside them during every training session.



5. Counseling: They have a very effective Compliance and HR team. Regular awareness & Counseling programme are conducting by them. Welfare officers are very much punctual to their assigned duties. Their workers treat our welfare & compliance team as a part of their bond. Workers are regularly being aware about their health & safety, grievance and others through their effective company team.

4.1.7 Some picture of compliance items in Fakir Apparel Ltd are given

- **Canteen**

FAL is providing canteen facility for its workers as well as management staffs. It is capable of catering the demands of all staffs. It has spacious, decorated and hygienic canteen. Generally it is run by experienced cook. FAL canteen also caters in the various functions organized by FAL & other related programs like seminars, conferences, workshops etc.



- **Day care centre**

FAL has well equipped and decorated childcare/daycare centre for its workers' child. It provides caring for children as their own homes. It can also take on a more formal structure, with education, child development, and discipline.



- **Medical**

FAL provide comfort, freedom and peace of mind for our workers because we have well equipped medical centre for emergency or any accidental case due to working time.



- **Training Centre**

FAL have well equipped training Centre for new and less skilled workers. We got very experienced instructor who made workers skilled by hands on training to the entire pattern production for all kind of clothes. Fitting and Production issues as well as Quality Control are parts of the program.



- **Prayer Room**

Because of Muslim nation we keep a large space for prayer room where worker continue his regular prayer according to time



- **Transportation**



4.2 Special Benefits Beyond Labor Law

Fakir Apparels Ltd. is the largest and famous Apparels Company at the country. They have the below best practices in their organization related to the benefits beyond Law.

Cultural program :

In every year they arrange annual cultural program at their organization for refreshment of the worker. In the last year the famous star Momtaz and Fardous was the chief guest of the program.



Vaccination:

They facilitate the worker by giving free vaccination services Examples: T. T, BCG and other viral and bacterial Diseases with calibration with the smiling sun and the Marie Stopes clinic . they also provide free medical services to the workers. They have a contract with Smiling Sun to provide medical facility to the workers family not more than 4 members.



HIV Awareness Program:

They have nine month program with BGMEA and Marie Stopes to awareness the workers about HIV AIDS. They have awarded for successfully completion of the program. They have two master trainer and nine pier trainer to educate the workers about HIV-AIDS.



Higher wages:

Most of cases they paid more wages then minimum wage. They pay up to BDT 5000 for Grade-7 where as legal requirement is BDT 3000. They have a training centre to train the fresh workers. They paid them 3000 taka instead of 2500 taka.

School benefits:

They provide school benefit to the workers children education.

Selection best worker:

Every year they select best worker from the floor and distributed gift the winners. This year 2012 they distribute the following gift: Those are:

- Television (21") color 15 Pcs
- Nokia Mobile set - 220 Pcs
- Prize bond



Sports:

At every year they arrange sports for management and workers. At the end of the final match their managing director distributed the prize.



Food, Ifter and Sweets distribution:

Every year they have three feasts for all employees.

1. They distribute food package Kachi Birany 1.5 kg and Soft drinks 1 kg to every employee which cost approximate tk. 50 lac only.
- ii. They distributed per head 1 kg sweet for all employees on occasion of Phohala Baisak which cost app 30 lac only.
- iii. They distribute special ifter for every workers which app cost 50 lac only.

Ifter allowance

They paid every employees ifter allowance during the whole Ramadan which cost app 1.5 Crore.

FAKIR APPARELS LTD.
Advance Salary, Ifter Bill & Zakat for the Month of August-2012 (Salary Part Payment)

JN/FAL-2, FINISHING								SIGNATURE	Remarks
ID NO	NAME	DESIGNATION	TOTAL DAYS	IFTER AMOUNT	ZAKAT	ADVANCE AMOUNT	TOTAL AMOUNT		
102	Saleha	Poly Man	29	1015	1035	1500	3550	সালেহা	
11396	Rohima	Poly Man	29	1015	1035	1500	3550	রোহিমা	
13480	Parvin	Jr.Packer	28	980	1020	1500	3500	পারভীন	
14698	Hazera	Folder	29	1015	1035	1500	3550	হাজেরা	
15862	Nargis	Poly Man	28	980	1020	1500	3500	নার্গিস	
18039	Jakirul	Packer	29	1015	1035	1500	3550	জাকিরুল	
19977	Aklima	Poly Man	29	1015	1035	1500	3550	আকলিমা	
19994	Zorna	Folder	27	945	1005	1500	3450	জর্না	
20834	Fency	Poly Man	29	1015	1035	1500	3550	ফেন্সি	
20854	Parvin	Jr.Packer	29	1015	1035	1500	3550	পারভীন	
21977	Khalek Mia	Packer	29	1015	1035	1500	3550	খালেক মিয়া	

Prepared By: [Signature] Checked By: [Signature] Manager HR [Signature] Manager (A/C) [Signature] Manager Audit DGM(A/F) Managing Director

Marriage –Donation :

They help their workers on occasion of marriage ceremony for their own or dependents.

Zakat (special):

At every Eid they paid every worker 1000 taka from Zakat Fund and Stuffs 2000 taka.

Festival Bonus:

They paid two bonus total gross salaries to every worker.

Selling Organic foods at the cheap rate:

They have a khamar Bari at Gazipur where they produce all kind of Organic foods including milk. Every week two days they sell the foods at their premises to the workers with lower rate from the market.

Major Treatment:

They carry the expenditure of major operation of the workers.

Hazz:

Every year they send employees for holy hazz.

Workers Awareness:

They have awarded by H&M for workers awareness.

4.3 Code of Conduct of Fakir Apparels Limited

Child Labor	Fakir Apparels Limited will not employ or use child labor permanently or temporary and age limit of all the employees must be as per the law of Bangladesh Labor Law-2006.
Involuntary Labor	Fakir Apparels Limited will not use any forces or involuntary labor, whether prison, bonded, indentured or otherwise.
Abuse & Harassment	Fakir Apparels Limited will treat each employee with dignity and respects and will not use corporal punishment, threats of Violence or other forms of physical, sexual psychological or Verbal harassment or abuse.
Non-discrimination	Fakir Apparels Limited will not discriminate in hiring and Employment practices, including salary, benefits, social or ethnic origin, sexual orientation, gender, political opinion or disability.

Health & Safety	Fakir Apparels Limited will provide employee with safe and Healthy workplace in compliance with all applicable laws and Regulations, ensuring at a minimum reasonable access to potable. Water and sanitary facilities, fire safety and adequate lighting and ventilation.
Compensation & Benefit	Fakir Apparels Limited recognizes that wages are essential to fulfill employee's basic needs. Salaries are complying with the law of the country in terms of basic wages and hour laws and regulations, including Those relating to minimum wage, overtime, maximum working hours and other elements of compensation and provide legally mandated benefits. In addition except extraordinary business circumstances, employee will be entitled to at least one day off in every seven-day period.
Protection of Environment	Fakir Apparels Limited have water treatment plant and will comply with all applicable environmental laws and regulations.
Freedom of Association	Every employee can join labor union and they also can form collective bargaining agent to bargain with management. We have workers participation committee.
Customs Compliance	We maintain all customs formalities for export and import of our goods.
Disciplinary Practices	Termination by 120 days notice or pay in lieu. Following enquiry procedure in case of misconduct.
Grievance Procedure	We have functional grievance procedure system. We have grievance receiving team to receive & enquire the grievance.

**4.4 Some Important Certificates related to compliance Achieved by
Fakir Apparels ltd.**

WRAP Certificate on compliance



ISO 14001:2004 Certificate on Environmental Management System



GlobalGROUP

local assessment, global certification

Certificate of Registration

This is to certify that the

ENVIRONMENTAL MANAGEMENT SYSTEM

of

Fakir Apparels Ltd

BSCIC -Industrial area, Shahongaon, Fatullah, Narayanganj, NA, BANGLADESH

for


Manufacture of Composite Knitted Garments

has been assessed and registered against the provisions of

ISO 14001:2004

International Standard

With

Registration Number:	72E08421	Project:	46-08421-1-E
Certification Date:	28 July 2010	NACE:	DB 18.24
Recertification Due Date:	18 May 2013	Exclusions:	None
Certification Approved By:			Alan Cherry

Group Chief Executive Officer

Registration is subject to the management system being continually maintained to the above standard under regular surveillance.
Should surveillance not take place when required, registration shall be removed.

This certificate is the property of Global Certification Limited, Concorde House, Trinity Park, Birmingham, B37 7UQ, England, United Kingdom



Please validate the authenticity and status of this certificate at www.globalgroup.net.



017460

OHSAS 18001:2007 Certificate on Health and Safety



GlobalGROUP

local assessment, global certification

Certificate of Registration

This is to certify that the

**OCCUPATIONAL HEALTH & SAFETY
MANAGEMENT SYSTEM**

of

Fakir Apparels Ltd

BSCIC -Industrial area,Shahongaon, Fatullah, Narayanganj, BANGLADESH

for

Manufacture of Composite Knitted Garments

has been assessed and registered against the provisions of

OHSAS 18001:2007

With

Registration Number:	89008421	Project:	46-08421-2-O
Certification Date:	28 September 2014	NACE:	DB 18.24
Recertification Due Date:	28 September 2011	Exclusions:	None
Certification Approved By:			Alan Cherry

Group Chief Executive Officer

Registration is subject to the management system being continually maintained to the above standard under regular surveillance.
Should surveillance not take place when required, registration shall be removed.

This certificate is the property of Global Certification Limited, Concorde House, Trinity Park, Birmingham B37 7UQ, England, United Kingdom

Please validate the authenticity and status of this certificate at www.globalgroup.net.



018991

Social Compliance Requirement Certificate on compliance



GlobalGROUP

local assessment, global certification

Certificate of Registration

This is to certify that the

MANAGEMENT SYSTEM

of

Fakir Apparels Ltd

BSCIC -Industrial area,Shahongaon, Fatullah, Narayanganj, NA, Bangladesh

for

Manufacture of Composite Knitted Garments

has been assessed and registered against the provisions of

SOCIAL COMPLIANCE REQUIREMENTS

With

Registration Number:	84211222841	Project:	46-8421-2-S
Certification Date:	8 September 2014	EA Code:	4
Recertification Due Date:	8 September 2011	Exclusions:	None

Certification Approved By:

Group Chief Executive Officer

Registration is subject to the management system being continually maintained to the above standard under regular surveillance.
Should surveillance not take place when required, registration shall be removed.

This certificate is the property of Global Certification Limited, Concorde House, Trinity Park, Birmingham B37 7UQ, England, United Kingdom

Please validate the authenticity and status of this certificate at www.globalgroup.net.



018990

4.5 Company's different important policies related to compliance

1. Child labor prohibition policy

ফকির এ্যাপারেলস লিঃ
শিশু শ্রম পরিহার নীতি
(Prohibition of Child labour Policy)


উদ্দেশ্য :

ফকির এ্যাপারেলস লিঃ এর শ্রমিক নিয়োগের ক্ষেত্রে রাষ্ট্রীয় আইন এবং ক্রেতাদের আচরণ বিধির সমন্বয়ে একটি নিজস্ব নীতিমালা রয়েছে।

ফকির এ্যাপারেলস লিমিটেড বাংলাদেশের শ্রম আইন অনুযায়ী ও ক্রেতাদের চাহিদার প্রতি লক্ষ্য রেখে শিশু শ্রম পরিহারের বিষয়ে একটি সুনির্দিষ্ট নীতি অনুসরণ করে থাকে।

- ❖ ১৪ বছরের কম বয়সের জনবল নিয়োগ দেয়া হয় না।
- ❖ সকল কর্মক্ষেত্রে যাতে শিশু শ্রম মুক্ত হয় কর্তৃপক্ষ তা নিশ্চিত করে থাকে।
- ❖ কর্তৃপক্ষ শিশু শ্রমিক নিয়োজিত আছে এমন কোন প্রতিষ্ঠানের সাথে কোন ব্যবসায় নিয়োজিত থাকে না।
- ❖ জনবল নিয়োগের সময় তাদের বয়স প্রমানের জন্য জন্ম নিবন্ধন সনদ / ভোটার আই ডি কার্ড / মাধ্যমিক স্কুল পাশের সনদ প্রমান পত্র হিসাবে গ্রহণ করা হয়।
- ❖ নিয়োগ দানের পূর্বে রেজিস্টার্ড ডাক্তার বা কারখানায় নিযুক্ত ডাক্তার দ্বারা বয়স ও সক্ষমতা যাচাই করে নিয়োগ দেয়া হয়।

শিশু শ্রম পরিহার সম্পর্কিত প্রচলিত শ্রম আইনের যে কোন সংশোধনী ফকির এ্যাপারেলস লিমিটেড অনুসরণ করবে।



সিনিয়র ব্যবস্থাপক(পি এন্ড এ)

2. Working hour Policy

ফকির এ্যাপারেলস লিঃ

কর্মঘন্টা নীতি

Working Hour Policy

উদ্দেশ্যঃ ফকির এ্যাপারেলস লিঃ এর ব্যবস্থাপনা কর্তৃপক্ষ দেশের প্রচলিত আইন, আন্তর্জাতিক শ্রমিক আইন অনুসারে কর্মঘন্টা নির্ধারণ এবং অতিরিক্ত সময়ের মজুরী প্রদান করে থাকে। ডাইং, নিটিং, এমব্রডারী, সিকিউরিটি ও মেইনট্যানেন্স ডে এবং নাইট দুই শিফটে কাজ করবে।

ডে শিফটঃ

১. কাজ শুরু (সাধারণ কর্মঘন্টা) : সকাল ৮.০০ ঘটিকা হতে
২. মধ্যাহ্ন বিরতি : দুপুর (১.০০-২.০০) পর্যন্ত
৩. ওভারটাইম শুরু : বিকাল ৫.০০ টা হতে।

নাইট শিফটঃ

১. কাজ শুরু (সাধারণ কর্মঘন্টা) : সন্ধ্যা ৮.০০ ঘটিকা হতে
২. মধ্যাহ্ন বিরতি : রাত (১.০০-২.০০) পর্যন্ত
৩. ওভারটাইম শুরু : সকাল ৫.০০ টা হতে।

রাতের শিফটে কোন মহিলা শ্রমিক কাজ করতে পারবে না।

ওভারটাইম বাধ্যতামূলক নয়, স্বেচ্ছাধীন।

কর্মীদের যে কোন সময় ওভারটাইম প্রত্যাখ্যান করার অধিকার আছে।

৪. সর্বোচ্চ ওভারটাইম ঘন্টা নিম্নরূপঃ

- ক) ওভারটাইম সহ দৈনিক কার্যঘন্টা হবে সর্বোচ্চ ১০ ঘন্টা অর্থাৎ প্রতিদিন ওভারটাইম হবে ২ ঘন্টা
- খ) ওভারটাইম সহ সাপ্তাহিক কর্মঘন্টা হবে সর্বোচ্চ ৬০ ঘন্টা অর্থাৎ সপ্তাহে ওভারটাইম হবে ১২ ঘন্টা।

৫. ওভারটাইমের সকল পাওনা মূল বেতনের দ্বিগুন হারে পরিশোধ করা হয়।

৬. প্রত্যেক কর্মী প্রতি ৬ দিন কাজ করার পর একদিন সাপ্তাহিক ছুটি দেওয়া হয়।

৭. সাপ্তাহিক বন্ধের দিন কাজ করলে প্রচলিত আইন অনুযায়ী মজুরী ও ছুটি প্রদান করা হয়।

প্রস্তুতকারী

সিনিয়র ব্যবস্থাপক(পিএন্ডএ)

অনুমোদনকারী

ব্যবস্থাপনা পরিচালক

3. Payment System Policy

ফকির এ্যাপারেলস লিঃ

মজুরী নীতি

Payment System

উদ্দেশ্য : ফকির এ্যাপারেলস লিঃ এ শ্রমিকদের মজুরী পরিশোধের ক্ষেত্রে রাষ্ট্রীয় আইনের পাশাপাশি কোম্পানীর একটি নিজস্ব নীতিমালা রয়েছে ।

পরিশি : প্রতিষ্ঠানের সকল শ্রমিক ও কর্মকর্তাগণ তাদের মজুরী নীতিমালা সম্পর্কে যে কোন সমস্যা, সমাধানের জন্য কর্তৃপক্ষের কাছে তাদের নিজস্ব বক্তব্য সরাসরি উপস্থাপন করার সুযোগ রয়েছে ।

মজুরী নীতি মালায় কোম্পানীর ভূমিকা নিম্নরূপ :

১. মজুরী কোড মজুরীকাল এক মাসের বেশি হবে না ।
২. কোন শ্রমিকের যে মজুরীকাল সম্পর্কে তাহার মজুরী প্রদেয় হয়, সেই কাল শেষ হওয়ার পরবর্তী সাত কর্মদিবসের মধ্যে তাহার মজুরী পরিশোধ করা হবে ।
৩. যে ক্ষেত্রে কোন শ্রমিকের চাকুরী তাহার অবসর গ্রহণের কারণে অবসান হয়, অথবা মালিক কর্তৃক তাহার ছাটাই, ডিসচার্জ, অপসারণ, বরখাস্ত অথবা অন্য কোন কারণে উহার অবসান করা হয় সে ক্ষেত্রে উক্ত শ্রমিককে প্রদেয় সকল মজুরী তাহার চাকুরী অবসানের তারিখ হইতে পরবর্তী সাত কর্মদিবসের মধ্যে পরিশোধ করা হবে ।
৪. সকল মজুরী সাত কর্মদিবস কিংবা সাত কর্মদিবসের পূর্বেই পরিশোধ করা হয় ।
৫. মূলত দুই ধাপে মজুরী পরিশোধ করা হয়ে থাকে মাসিক এবং সাপ্তাহিক, পিছ রেট শ্রমিকদের বেলায় প্রতি সপ্তাহে এবং মাসিক শ্রমিকদের বেলায় পরবর্তী মাসের সাত কর্মদিবসের মধ্যে মজুরী পরিশোধ করা হয়ে থাকে ।
৬. সকল মজুরী প্রচলিত মুদ্রা, কারেন্সি নোট অথবা চেকের মাধ্যমে পরিশোধ করা হবে ।
৭. কোন শ্রমিকের মজুরী হিসাবের প্রদেয় সকল অর্থ তাহার মৃত্যুজনিত কারণে তাহার মনোনিত ব্যক্তিকে মজুরীর অর্থ পরিশোধ করা হয়ে থাকে, যদি কোন ক্ষেত্রে মনোনিত ব্যক্তি বা দাবিদার না পাওয়া যায় তাহলে মৃত ব্যক্তির প্রদেয় সকল অর্থ বাংলাদেশ শ্রম আদালতে জমা দেওয়া হয় । এবং উক্ত আদালত বিধি অনুযায়ী তৎসম্পর্কে ব্যবস্থা গ্রহণ করা হবে ।
৮. শ্রমিকের অবহেলা বা গাফিলতির কারণে ঘটিত মালিকের ছোট, বড় যে কোন ধরনের ক্ষতির জন্য ততক্ষণ পর্যন্ত মজুরী থেকে অর্থ কর্তন করা হয় না, যতক্ষণ না পর্যন্ত ন্যায় বিচারের নীতি অনুসরণ করিয়া তাহাকে দোষী সাব্যস্ত করা হয় ।
৯. কোন শ্রমিকের মজুরী হইতে কোন অর্থ কর্তন করা হয়না, যদি না সরবরাহকৃত বাসস্থান, সুযোগ সুবিধা বা সেবা নিয়োগের শর্ত অনুসারে অথবা অন্যভাবে সংশ্লিষ্ট শ্রমিক কর্তৃক গৃহীত হয় ।

3. Payment System Policy continued...

১০. চাকুরী শুরু হইবার পূর্বে প্রদত্ত ঋন বা অগ্রিম আদায় বাবদ কর্তন একটি পূর্ণ মজুরী কালের জন্য পরিশোধকৃত প্রথম মজুরী হইতে করা হয়, কিন্তু অনুরূপ কোন কর্তন ভ্রমন খরচের জন্য প্রদত্ত ঋন বা অগ্রিমের ক্ষেত্রে করা হয় না।
১১. অর্জিত হয় নাই এমন কোন মজুরী বাবদ প্রদত্ত ঋন বা অগ্রিম উহা কি পরিমানে দেওয়া যাইবে এবং কত কিস্তিতে আদায় করা যাইবে তৎসম্বন্ধে সরকার কর্তৃক প্রণীত কোন কোন বিধি সাপেক্ষে নির্ধারিত করা হয়।

মজুরী নীতিমালা বাস্তবায়নের উপায় :

১. প্রথমে মজুরী নীতিমালা গুলো কিভাবে বাস্তবায়ন করা হয় এ ব্যাপারে শ্রমিকদের ট্রেনিং এর মাধ্যমে বুঝাতে হবে এবং সচেতন করতে হবে।
২. মজুরী পরিশোধ কালীন সময় নিয়মিত ফ্লোর মনিটরিং করতে হবে যাতে কোথাও মজুরীর ক্ষেত্রে অনিয়ম বা দুর্নীতি না হয়।
৩. শ্রমিকদের কাছ থেকে ফিডব্যাক নিতে হবে মজুরী পরিশোধের ক্ষেত্রে কোথাও কোন অনিয়ম বা দুর্নীতি আদৌ হচ্ছে কিনা তা যাচাই করার জন্য।
৪. যদি কোথাও মজুরী পরিশোধের ক্ষেত্রে অনিয়ম বা দুর্নীতি ধরা পরে তাহলে সাথে সাথে তা প্রতিকারের ব্যবস্থা নিতে হবে।

কে বা কারা বাস্তবায়ন করবে :

মজুরী নীতিমালা বাস্তবায়নের সাথে সংশ্লিষ্ট ব্যক্তির হলে- এইচ.আর সহকারী, আইটি অফিসার, এ্যাকাউন্ট অফিসার, পার্সোনাল অফিসার, অডিট অফিসার, চীফ এ্যাকাউন্ট অফিসার, সিনিয়র ম্যানেজার (পিএন্ডএ), এবং ম্যানেজিং ডাইরেক্টর।

রুটিন ওয়ার্ক কি :

১. মজুরী পরিশোধের জন্য দায়ী প্রত্যেক ব্যক্তিকে উত্তম রূপে মজুরী পরিশোধ সম্পর্কে মজুরীকাল স্থির ব্যবস্থা নিশ্চিত করতে হবে।
২. কোন শ্রমিকের যে মজুরীকাল সম্পর্কে তাহার মজুরী প্রদেয় হয়, সেই কাল শেষ হওয়ার পরবর্তী সাত কর্মদিবসের মধ্যে তাহার মজুরী পরিশোধ নিশ্চিত করতে হবে।
৩. যে ক্ষেত্রে কোন শ্রমিকের চাকুরী তাহার অবসর গ্রহণের কারণে অবসান হয়, অথবা মালিক কর্তৃক তাহার ছাটাই, ডিসচার্জ, অপসারণ, বরখাস্ত অথবা অন্য কোন কারণে উহার অবসান করা হয় সে ক্ষেত্রে উক্ত শ্রমিককে প্রদেয় সকল মজুরী তাহার চাকুরী অবসানের তারিখ হইতে পরবর্তী সাত কর্মদিবসের মধ্যে যাতে পরিশোধ করা হয় সে ব্যাপারে যথাযত ব্যবস্থা গ্রহণ করতে হবে।
৪. প্রতিষ্ঠানের সকল শ্রমিকদের মজুরী সাত কর্মদিবস কিংবা সাত কর্মদিবসের পূর্বেই যাতে পরিশোধ করা হয় তা নিশ্চিত করতে হবে।
৫. মূলত দুই ধাপে মজুরী পরিশোধ করা হয়ে থাকে মাসিক এবং সাপ্তাহিক, পিছরেট শ্রমিকদের বেলায় প্রতি সপ্তাহে এবং মাসিক শ্রমিকদের বেলায় পরবর্তী মাসের সাত কর্মদিবসের মধ্যে মজুরী পরিশোধ করার ব্যাপারে যথাযত ব্যবস্থা গ্রহণ করতে হবে।

FAKIR APPARELS LTD.

Managing Director

4. Harassment abolition Policy

ফকির এ্যাপারেলস লিঃ হয়রানী ও উৎপীড়ন মুক্ত নীতিমালা ।

উদ্দেশ্যঃ ফকির এ্যাপারেলস লিঃ বিশ্বাস করে যে, এই কোম্পানীর পরিবেশ সম্পূর্ণভাবে হয়রানী ও উৎপীড়ন মুক্ত । ফকির এ্যাপারেলস লিঃ এর কর্মরত সকল শ্রমিকদের মর্যাদার প্রতি লক্ষ্য রেখে সম্পূর্ণ হয়রানী ও উৎপীড়ন মুক্ত কর্ম পরিবেশ সংরক্ষণ করা ।

পরিধিঃ কোম্পানীতে কর্মরত সকল শ্রমিকদের যে কোন ধরনের হয়রানী ও উৎপীড়ন থেকে মুক্ত রাখা । এই নীতিমালা সকল কর্মচারী কর্মকর্তা এবং কারখানাতে আগত যে কারোর জন্যই প্রযোজ্য হবে ।

ফকির এ্যাপারেলস লিঃ হয়রানী ও উৎপীড়ন মুক্ত কর্ম পরিবেশ বজায় রাখতে নিম্নোক্ত নীতিমালা অনুসরণ করে এবং এ ব্যাপারে সকলের সহযোগিতা কামনা করে । ফকির এ্যাপারেলস লিঃ এ নিয়োজিত সকল শ্রমিকদের প্রতি হয়রানী ও উৎপীড়ন মূলক কর্মকাণ্ড সম্পূর্ণভাবে নিষিদ্ধ । এ সব কর্মকাণ্ড গুলো হচ্ছে-

১. শারিরীক নির্যাতন করা ।
 ২. গালিগালাজ ও হুমকি প্রদান করা ।
 ৩. মানসিক নির্যাতন করা ।
 ৪. যে কোন প্রকার যৌন হয়রানী করা ।
 ৫. শ্রমিকের মৌলিক অধিকারের উপর বিধিমালা আরোপ করা ।
 ৬. অযৌক্তিকভাবে কর্মীদের চলাচলের উপর নিষেধাজ্ঞা আরোপ করা ।
- উপরোক্ত কারণ সংক্রান্ত অভিযোগের প্রেক্ষিতে অভিযুক্ত ব্যক্তির কর্মচ্যুতি ঘটবে ও আইনানুগ ব্যবস্থা নেয়া হবে এবং অভিযোগকারীকে কোন প্রকার শাস্তির সম্মুখীন হতে হবে না ।
- যে সকল উপায়ে কর্মচারীগণ তাদের অভিযোগ ব্যবস্থাপনা কর্তৃপক্ষকে জানতে পারবে সে গুলো হচ্ছে-
- ক) অভিযোগ ও পরামর্শ বক্সের মাধ্যমে ।
 - খ) “ওয়ার্কারস পার্টিসিপেশন কমিটির সদস্যদের মাধ্যমে তাদের অভিযোগ কর্তৃপক্ষকে জানাতে পারবে ।
 - গ) সরাসরি ওয়েলফেয়ার অফিসারের কাছে তথ্য প্রদান করা যেতে পারে এবং এ ক্ষেত্রে সম্পূর্ণ গোপনীয়তা রক্ষা করা হবে ।
 - ঘ) শ্রমিকদের যে কোন অভিযোগ /অনুযোগ জানানোর জন্য একটি হট লাইন আছে যার মাধ্যমে শ্রমিকরা তাদের যে কোন সমস্যার কথা কর্তৃপক্ষকে জানাতে পারবে । হট লাইন নাম্বারটি হলো-০১৭১৩৩৭০৪৮৫.
 - ঙ) প্রত্যেক ফ্লোরে একজন করে কমপ্লাইন্স সহকারী আছে যার মাধ্যমে শ্রমিকরা তাদের যে কোন অভিযোগ জানাতে পারবে ।
- সঠিকভাবে হয়রানী ও উৎপীড়ন এর কথা কর্তৃপক্ষের কাছে জানানোর জন্য সচেতন কর্মী তৈরীর লক্ষ্যে আমরা নিম্ন লিখিত ব্যবস্থা গ্রহণ করে থাকি ।
- ক) নতুন কর্মীদের প্রশিক্ষণ গ্রহন ।
 - খ) মাসে একবার ইনচার্জ, সুপারভাইজার এবং ব্যবস্থাপনা কর্মীদের প্রশিক্ষণ ।
 - গ) কর্মীদের খাবার স্থান ও বিশ্রামস্থল সহ প্রধান স্থানে এই নীতিমালা ঝুলানো ।
- কোনো অভিযোগ উত্থাপিত হলে সুনির্দিষ্ট ব্যক্তির মাধ্যমে তা তৎক্ষণাত তদন্তের সাপেক্ষে নিম্নোক্ত তথ্যগুলো লিপিবদ্ধ করা হবে ।

5

Chapter five

Impact of compliance for Fakir Apparel Limited

5.1 Impact of compliance

- Fakir Apparels Ltd can attract new buyer. For example recently a new buyer named primark from Ireland is interested to submit their order in FAL.
- They can sustain existing buyers. For example we can say about H&M. They work with FAL about 12 years.
- FAL meet govt. requirement. As they are compliant so they implement govt. rules and regulation in their factory.
- FAL ensure benefits of the workers. Not only financial benefit but also other benefits are ensured by the higher authority of the factory. So worker unrest is not seen at all.
- FAL is always maintained good relationship between workers and management. We practically observed it and saw that management is always helpful to the worker and solve their any kind of problem.
- FAL is also compliant in environmental issues. There ETP is always running and the purified water is free in river. So no harm is even done in environment.
- FAL is also socially accountable. For example they donate a huge amount in school, college, mosque, orphan home and tree plantation. This matter increases their good will and helps them to work with famous buyers. It also encourages their reputation and a good relationship with government.
- Since they paying salary in right time and gives so many benefits to the worker, so worker turnover rate is very low.

- Though workers find their salary properly, their morality is improving and as a result productivity is increased. Few years ago when daily production of FAL was 20000 pieces now their production per day is 120000 pieces. As a result factory can receive more order.
- Though the factory is receiving more order and fulfill them so their annual turnover is increasing in every year. In 2008 their annual turnover was \$50 million but now there turnover is \$80million.

6

Chapter six

CONCLUSION

6. Conclusions

In the following chapter, we summarize our results and draw conclusions about our study.

From the collected data and analysis it became clear that functions and practices of social compliances have the largest contribution in work environment development and make sure the benefits of the workers so that workers become satisfied with their jobs.

In Fakir Apparels ltd. have a brilliant, skilled, experienced and well trained compliance team under the proper supervision of Md. Emarat Hossain Sr. manager (P&A). The team includes a Sr. Manager, seven Compliance Officers, four welfare officers and nine COC, Who are working for the well-being of the workers.

Though Fakir Apparels ltd. providing good working environment to the workers but it can be improved more which will comply with SA-8000.

7

Chapter seven

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