

**CORRECTIVE ACTION PLAN**

Factory Name	ACS Towel Limited		Business License	2020-00431	
Factory Location	Tetlabo, Ward No.-3, Pairabo, Rupgonj, Narayanganj			Type of Audit	REAUDIT
	Narayanganj		Bangladesh	Audit Company	ARCHE ADVISORS
Audit First Day	22/11/23	Audit Last Day	22/11/23	Last Target Date	

SECTION TITLE/NO	NON CONFORMITY / BEST PRACTICE	RECOMMENDED CORRECTIVE ACTION	TARGET DATE	RESPONSIBLE	COMMENTS OF THE FACTORY REPRESENTATIVE	COMMENTS OF PRINCIPAL
0. MANAGEMENT SYSTEM, TRANSPARENCY AND TRACEABILITY						
0.6	Re-Audit 15-16.11.2023: NEW FINDING There is no job description available in the file reviewed as a welfare officer post at the facility. The job description was mentioned as Return to Work Coordinator. During the closing meeting the facility management printed out the job description for the assessment team to review, but that does not match the requirement of the law.. Bangladesh Labor Rules, 2015, Section 79	There should have welfare officer position defining the job responsibilities.	30/11/2023	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	
0.7	Re-Audit 15-16.11.2023: NEW FINDING The factory does not document its objectives and action plan to address the main social impacts. Client's Code of Conduct	The factory should document its objectives and action plan to address the main social impacts.	31/12/2023	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	
0.13 Critical	Re-Audit 15-16.11.2023: NEW FINDING Leave forms are not in local language- 70% workers could not read out the leave summary record. Client's Code of Conduct	Leave forms are to be in local language.	30/11/2023	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	
5. FREEDOM OF ASSOCIATION AND GRIEVANCE MECHANISMS						
5.10	Re-Audit 15-16.11.2023: NEW FINDING The facility does not have any system in place to communicate the grievance review progress to workers if the report received anonymously. Client's Code of Conduct	The facility should communicate the grievance review progress to workers and individuals responsible for reviewing reported grievances.	31/12/2023	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	
6. WORKING HOURS AND OVERTIME						



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6.6 Critical	There is a local law.	Re-Audit 15.11.2023: New Finding Reviewed records disclosed total number of daily and weekly work hours are not with in the local labor code Maximum number of daily work hours: August 2023 General 08 + Overtime 06 = Total 14 September 2023 General 08 + Overtime 4.5 = Total 12.5 October 2023 General 08 + Overtime 04= Total 12 November 2023 General 08 + Overtime 11= Total 19 Maximum number of weekly work hours August 19-25, 2023 Weekday Reg 48+ Weekend OT 00 + Week day OT 29= Total 77 September 02-08, 2023 Weekday Reg 48+ Weekend OT 00 + Week day OT 17= Total 65	Total number of work hours are to be with in the limit.	30/06/2024	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	



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5.7 Automatic rating	Re-Audit 22.11.2023; Finding Not CORRECTED: Reviewed records disclosed total number of daily and weekly work hours are not with in the local labor code Maximum number of daily work hours: August 2023 General 08 + Overtime 06 = Total 14 September 2023 General 08 + Overtime 4.5 = Total 12.5 October 2023 General 08 + Overtime 04 = Total 12 November 2023 General 08 + Overtime 11 = Total 19 Maximum number of weekly work hours August 19-25, 2023 Weekday Reg 48+ Weekend OT 00 + Week day OT 29 = Total 77 September 02-08, 2023 Weekday Reg 48+ Weekend OT 00 + Week day OT 17 = Total 65 a. In Chapter 6, the Alert Notification is raised when the total number of hours worked (regular + overtime) equals or exceeds 84 hours per week. b. If the total amount of hours worked per week (regular + overtime) equals or exceeds 72 hours, then Chapter 6 and the audit questionnaire will be rated E. c. If the total amount of hours worked per week (regular + overtime) exceeds 56 hours and is lower than 72 hours and if the average number of hours worked over three consecutive weeks exceeds 56 hours, then Chapter 6 and the audit questionnaire will not be rated higher than C.	Total number of work hours are to be with in the limit.	30/06/2024	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	
6.11 Critical	Re-Audit 15.11.2023: NEW FINDING ½ hour break after consecutive 5 hours of work or 1 hour break after consecutive of 6 hours of work are not documented to confirm, when the workers are working more than 2 hours of overtime a day. Bangladesh Labor Law 2006, Section 101	½ hour break after consecutive 5 hours of work or 1 hour break after consecutive of 6 hours of work are to be guaranteed, when the workers are working more than 2 hours of overtime a day.	31/03/23	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	
7. REMUNERATION AND BENEFITS						



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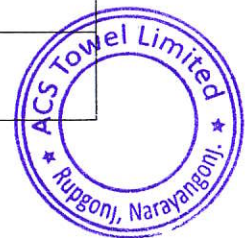
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7.1 Critical AN	Re-Audit 22.11.2023; Finding NEW FINDING: According to minimum wage gazette notification of May 3, 2018 (Cotton Textile), clause 13 suggested to provide yearly increment 5% on basic wage. The facility providing 5% increment on basic and by adding the amount with gross salary back calculating the salary structure to get the basic. As a result, increment is not guaranteed minimum 5% on basis wage. Such as Previous Basic: 4555.56 Taka / Month Previous House Rent: 1594.44 Taka / Month Previous Medical Allowance: 550 Taka Previous Transportation Allowance 300 Taka/ Month Present Basic 4724.44 Taka Present House Rent: 1653.56 Taka/ Month Present Medical Allowance: 550 Taka Present Transportation Allowance 300 Taka/ Month Basic increased 3.68%. As a result, it effected 35% house rent and overtime wages and any other payment, those are calculated on basic wage and/or total gross wage.	Minimum 5% of basic wage to be increased on basic so the rest of the payment are calculated based on that increment.	No target date given	Md. Ruhul Alam Sharif GM (Compliance)	There is no clarification in the minimum wages gazette like other sector's minimum wages gazette that the 5% increase of yearly wages will be included with the basic wages will be included with the basic wages then house rent will be calculated.	
7.14 Critical	Re-Audit 22.11.2023; Finding NEW FINDING: According to minimum wage gazette notification of May 3, 2018 (Cotton Textile), clause 13 suggested to provide yearly increment 5% on basic wage. The facility providing 5% increment on basic and by adding the amount with gross salary back calculating the salary structure to get the basic. As a result, increment is not guaranteed minimum 5% on basis wage. Such as Previous Basic: 4555.56 Taka / Month Previous House Rent: 1594.44 Taka / Month Previous Medical Allowance: 550 Taka Previous Transportation Allowance 300 Taka/ Month Present Basic 4724.44 Taka Present House Rent: 1653.56 Taka/ Month Present Medical Allowance: 550 Taka Present Transportation Allowance 300 Taka/ Month Basic increased 3.68%. As a result, it effected 35% house rent and overtime wages and any other payment, those are calculated on basic wage and/or total gross wage.	Minimum 5% of basic wage to be increased on basic so the rest of the payment are calculated based on that increment.	No target date given	Md. Ruhul Alam Sharif GM (Compliance)	There is no clarification in the minimum wages gazette like other sector's minimum wages gazette that the 5% increase of yearly wages will be included with the basic wages will be included with the basic wages then house rent will be calculated.	



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7.17	All of the non-Muslim workers (Approximately 100+/- as reported) are paid festival bonus during Muslim Eid festival. However, the festival bonus, as prescribed in Bangladesh Labor Code 2006, Amendment 2018, Code 3 (KA), to be paid to the employees of any factory or establishment, during their own religious festival. There is no written consent that those non-Muslim workers are okay to be paid their festival bonus during Muslim's Eid Festival.	The festival bonus, as prescribed in Bangladesh Labor Code 2006, Amendment 2018, Code 3 (KA), to be paid to the employees of any factory or establishment, during their own religious festival.	30/06/2024	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	
8. HEALTH AND SAFETY						
8.14	Re-Audit 22.11.2023: NEW FINDING Randomly regular employees (New and Old) were selected and interviewed and found that many of them do not know how to act in case of fire. Three of the regular (One new and One old) employees were requested to demonstrate the use of fire alarm switch but could not demonstrate. Client's Code of Conduct	Every single workers are to be trained on how to act in case of fire and that should include the use of fire bell.	30/06/2024	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	
8.15	Re-Audit 22.11.2023: NEW FINDING Randomly regular employees (New and Old) were selected and interviewed and found that many of them do not know how to act in case of fire. Three of the regular (One new and One old) employees were requested to demonstrate the use of fire alarm switch but could not demonstrate. Client's Code of Conduct	Every single workers are to be trained on how to act in case of fire and that should include the use of fire bell.	30/06/2024	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	
8.18	Re-Audit 22.11.2023: NEW FINDING Fire fighters wearing vest were selected and suggested to demonstrate the use of water hose pipe but the fire fighters could not. Bangladesh Factory Rule 2015 Rule 55 (11)	Fire Fighters are to be adequately trained.	30/06/2024	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	
8.19	Re-Audit 22.11.2023: NEW FINDING Emergency response personnel are not trained, at minimum, on: notification of workers in event of fire or emergency, use of fire extinguishers, evacuation procedures, and first aid. Client's Code of Conduct	Emergency response personnel are to be trained, at minimum, on: notification of workers in event of fire or emergency, use of fire extinguishers, evacuation procedures, and first aid.	30/06/2024	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	
8.25 Critical	Re-Audit 22.11.2023: NEW FINDING All the evacuation plot plans are found posted only near to the exit, but not inside the floor as a result the arrangement is not made to show evacuation plan of exit in one or more places easily visible in each floor of each employee of the factory. Bangladesh Factory Rule 2015 55 (8)	All the evacuation plot plans are to be posted inside the floor also to make the arrangement to make easily visible in each floor of each employee of the factory.	No target date given	Md. Ruhul Alam Sharif GM (Compliance)	We are providing evacuation plot plan near to all the exits as per BNBC code.	
8.33 Critical	Re-Audit 22.11.2023: NEW FINDING Combustible and flammable materials such as yarn, grey fabrics, are found placed beside the pathways, will create smoke and fire so easily, which will obstruct the evacuation. Client's Code of Conduct	Combustible and flammable materials should not be kept near to the pathways.	No target date given	Md. Ruhul Alam Sharif GM (Compliance)	Combustible and flammable materials are common as to place in the production floor.	
8.40	Two out of four stairs from the 2 storied main production building, one out of two stairs from the 3 storied canteen building are found made of steel (Very Heat conductive materials). Bangladesh Labor Code 2006 Section 62 (4)	All the stair cases are to be made of less heat conductive materials.	No target date given	Md. Ruhul Alam Sharif GM (Compliance)	Any kind of materials are heat conductive, thus not possible.	



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8.46 Critical	Re-Audit 22.11.2023: NEW FINDING There is no manual bell posted to use some of the buildings (Such as Canteen, Chemical store etc), in case the electric fire bell fails, which is not audible throughout.	The manual fire bell is to be posted throughout.	30/3/2024	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	
8.66	Re-Audit 22.11.2023: NEW FINDING Approximately 05-08 sewing machines lower pulleys are not fully covered. Bangladesh Labor Law 2006 Section 63	All the machines are to be protected with guards.	30/11/2023	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	
8.81	Re-Audit 22.11.2023: NEW FINDING Approximately 60% employees including fire fighter, first aider, cleaner, are found working bare footed. As a result in case of emergency they will evacuate barefooted too.	The use of personal protective equipment (PPE) should be required and enforced by facility management.	No target date given	Md. Ruhul Alam Sharif GM (Compliance)	Due to production quality it is not possible to provide footwear.	
8.87	All the first aid boxes are found fitted with wall thus it can not be carried near to the emergency place such as assembly area. Client's Code of Conduct	Portable first boxes are to be provided.	31/02/2024	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	
8.90	Re-Audit 22.11.2023: NEW FINDING Randomly selected first aiders are found not adequately trained. Unable to share his/her course of action in case fire or anyone's hand is broken. Bangladesh Factory Rule 2015 Rule 55 (11)	The first aiders are to be adequately trained.	30/3/2024	Md. Ruhul Alam Sharif GM (Compliance)	Agreed and no additional comment	

A closing meeting has been undertaken and corrective actions were discussed and agreed:

Length of the closing meeting (in minutes): 90 Minutes

Auditor Name:	Maruf Ahmed Samima Akhter Kamruzzaman Akhsh	Factory representative name:	Md. Ruhul Alam Sharif	Principal representative:	
		Position	General Manager (Compliance)		
Were workers' representatives present at the Opening meeting?	YES	Were workers' representatives present at the Closing meeting?	YES		
Date:	22/11/2023	Date:	22/11/2023	Date:	
Signature:		Signature:		Signature:	
Please detail how information will be communicated to workers' representatives and/or trade union representatives:					
Md. Rana Ahmed, Vice President of participation committee was present during opening and closing meeting.					

