



Quality Standards Gap Analysis Report and Young Workers' Rehabilitation Plan

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Project Document

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1 Introduction

Abul Khair Group is one of the largest in the country with a varied and diverse range of product offerings. Since its inception in 1953, Abul Khair Group has a strong influence in the country's economy, with annual group turnover reaching up to US\$ 1.78 billion in 2014.

Abul Khair Steel & Power Ltd. is a part of the larger Abul Khair Group. It largely consists of long steel and flat steel manufacturing, with 29% and 43% market share in their respective portfolios. The commercial operation of flat steel started in 1998, producing CR Coil, CI and GP sheet under the brand name of "Cow Brand". The undergoing expansions for flat steel plant include a Strip Processing Plant.

The long steel operation incorporated later in 2007, bearing the name of AKSL. It produces mainly MS Rod products with the brand name of AKS 500W TMT. Recently, it started its own melting plant for producing billets for the consumption of AKSL in producing MS rods.



Figure 1: Inside the existing 24 MW Captive Gas-based Power Plant at Abul Khair Steel & Power Ltd.

In its current capacity, the plants require a total of 163.7 MW electrical power support to run the operations. In order to support the smooth production in Abul Khair plants, the group has 3 captive power plants, situated at Flat Steel, Cement and Consumer Goods division with a capacity of 50 MW. One of these plants is situated in the Flat Steel Plant, producing 24 MW electricity from a captive gas based system.

In order to meet the needs of the energy consumption, quality and reliability of the energy, the company is investing in a new captive gas-based 75 MW power plant in the same location. The current assignment largely revolves around this new gas-based captive power plant investment support. In this purpose lots of labours were engaged. Maintaining the labour standards is one of the main purposes for preparing this document.

1.1 Objective of this Report

The objective is to conduct a Quality Management Standards Gap Analysis for Abul Khair Ltd. and Abul Khair Steels Ltd. for attaining OHSAS 18000 and SA 8000 quality standards and a pre-operation assessment of the same for the 75 MW Captive Power Plant, undertake a labour audit covering AKG's own and subcontractor workers of the plant to assess compliance with the national laws, SA8000 and IFC PS2 requirements, and then suggest corrective action plans for ensuring improved labour conditions at the plant, with a particular focus on the existing young/adolescent workers.

The scope of this gap analysis includes all the activities, products and services undertaken within the following facilities:

- I. Abul Khair Limited
- II. Abul Khair Steel and Power Limited
- III. Abul Khair Steel Limited

The scope also includes any activities, products and services influenced by the above facilities.

The specific objective of this report is to provide:

- An assessment of the current Occupational Health and Safety Management Systems (OHSMS) elements and the gaps between these elements and the requirements of OHSAS 18001;
- An assessment of the current Social Accountability standard of the management system and the gaps between it and the requirements of SA 8000;
- Recommendations on the actions required to fill in the gaps;
- A Step-by-Step plan to address the existing gaps;
- Assessment and mapping the existing young labours conditions (both direct and indirectly employed), immediate actions to identify current young workers to be included in an educational/vocational program;
- Establishment of a back-to-school/vocational training program for current young labours directly or indirectly employed. Program to include cooperation with local educational NGO;
- Review of Bangladesh Labour Law 2006 (last amended in 2013), Labour rules 2015, SA8000 and IFC's Performance Standard 2;
- Review of all HR policies and practices of both AK, labour providing Contractors and other contractors/ subcontractors;
- Review of the labour employment documents;
- Review of working hours and overtime documents of the labours;

- Review of wages and overtime payment documents of the labours;
- Check whether wages and overtime amount paid to the labours comply with the minimum wages and overtime amount defined by Bangladesh Government;
- Observe the condition of the labour camp for the migrant local workers;
- Review the practices of non-discrimination, prohibition of child and forced labour, retrenchment, labours' organization and grievance mechanism;
- Review the documents and observe the practices of AKG as well as Contractor regarding workers' health and safety;
- Review the contractor management system of AKG; and
- Prepare labour audit report confirming compliance, and if not, recommend corrective actions as appropriate to the Project during construction phase.

2 Approach & Methodology

2.1 Labour Audit Approach

Following approach and methodology were adopted for carrying out the current assignment:

2.1.1 Kick-off Meeting

Consultant had a kick-off meeting with senior management of AKG at Chittagong office, Phone conversation with the GEIK and kick off meeting with e.Gen at Dhaka office. The kick off meeting helped in developing understanding on the current status of the Project implementation and developments at the site. The consultant also explained the purpose of the assignment as well as shared the approach and key activities that were planned in the course of the audit.

2.1.2 Site Visits and Physical Verification

The Consultant undertook site visit to the Power Plant construction site and the steel production facilities to assess the status and compliance with respect to labour issues. During the site visit the consultant made physical and visual inspection/verification of the construction phase activities and on site management of the labour issues. This was followed by visits to the labour camp.

2.1.3 Discussions and Interviews

The team conducted detailed discussions and interviews with the relevant personnel of AKG (Health and Safety manager, Head of Security, HR manager of 2 factories,) and 3 Contractors (HR personnel and the construction workers of power plant to understand the on-site management of labour issues, compliance to labour laws, working conditions and facilities available at site to these workers and satisfaction levels (of the workers and contractors) or any issues/concerns at the site.

2.1.4 Consultation with the Young /Adolescent Labours

Meetings with the existing adolescent labours were conducted in the form of one to one. It was found that adolescent workers are happy to be economically active for their families and they want to develop their career with AKG. More interestingly, it was found talking with one canteen boy that it is his dream to work in the factory; mainly in the hazardous section. It is also found that at least 10 workers joined in this company at the age of 16 and they are now 18 years old or above and AKG was bearer of all the expenses including their marriage which made them more favourable to AKG. All the 11 labours joined as a tea boy but they all are now professional workers of AKG. They are working in electrical, transport mechanics and admin sections.

2.1.5 Site Visit Closing Meeting

A site visit closing meeting was held with HR Manager of AKG. Consultant briefed them the key observations and findings based on the site visit, discussions with the site personnel and contractors and review of the relevant documents and sought their responses to the observations/findings. Identified gaps and actions required to fulfil the gaps were also discussed during this meeting.

2.1.6 Follow-up Site Visit with GIEK /EK

Conducted meeting with GIEK/EK, the consultant, and AKG management to discuss outstanding issues, provide clarification, and agree on next steps for finalization of the Action Plan.

2.2 Policy, Legal and Administrative Framework

This section will focus on the international standard labour regulation policies as well as Bangladesh government mandates and compare them with Abul Khair policy to find the gaps between the ILO/IFC/SA8000 and Bangladesh Labour policy, 2006 with present practice of the organization. Based on the findings, specific recommendations have been made for each intervention of labour engagement. Child labour issues, safety-security and overall wellbeing and capacity development of the workers will be the first priority of this legal and administrative policy framework.

2.2.1 Important definitions

Child, Adolescent and Child Labour

The Bangladesh Labour Act 2006 (Act XLII of 2006) defines “child” and the “adolescent” on the basis of age. As per section 2(8) of the Act, a person who has attained the age of 14 but below the age of 18 is considered to be an „adolescent” and as per section 2(63), a person not attaining the age of 14 is defined as a “child”. Therefore the term “child” and “adolescent” as defined by the Labour Act 2006 (Act XLII of 2006) shall be referred to in all discussion of child labour. According to this definition, the labour provided by a child within the age of 14 would be known as “child labour”.

According to the definition of labour law 2006, there is no child labour at AKG as all the 64 young/adolescent labours are at the age of 15 to 18. These young workers are engaged with non-hazardous works.

Hazardous work

If a child or young engaged in labour; works for more than 5 hours per day; performs such work that creates undue pressure on his/her physical and psychological health and social status; works in an insecure and unhealthy environment; works without wage or with irregular payment or for low wages;

carries out duties disproportionate to his or her capacity; works in such a condition that hinders his or her education; It is forced labour; Is compelled to do such work which demean human dignity; becomes the victim of physical and/or mental torture and sexual exploitation; and gets no opportunity of leisure or recreation; then the very working conditions or environment would be regarded as hazardous and demeaning for his or her physical and mental health i.e. life threatening to life. All necessary steps and efforts should be taken to rescue the children from such working condition or environment.

Labour

Labour is defined as any person, including a trainee/probationer, whether the terms and conditions of his/her employment are expressly written or not, who is employed directly or through a contractor/agency, for any skilled, unskilled, physical, technical, business development or clerical job in any establishment or industry.

Workers are classified into six categories according to the Bangladesh Labour Law 2006 and Bangladesh Labour Rules 2015:

1. **Apprentice:** A worker who is employed in an establishment as a trainee and during the period of training he is paid an allowance is called an apprentice.
2. **Badli:** A worker who is employed in an establishment for the period of temporary absence of a permanent or probationer worker.
3. **Casual:** A worker employed on a casual basis.
4. **Temporary:** A temporary worker in an establishment for work that is basically temporary in nature and is likely to be finished within a limited period.
5. **Probationer:** A worker provisionally employed in any establishment to fill up a post of permanent vacancy and his probationer period has not to be completed.
6. **Permanent:** A worker employed with a view to fill up a permanent post or if he completes satisfactorily his probation period in the establishment.

2.2.2 Legal framework

2.2.2.1 National Policies

Bangladesh Labour policy 2006 and labour Rules 2015

Section 5-20 of Bangladesh Labour policy 2006 and labour Rules 2015 concentrates on providing decent work to the labourers, fair wages, health, social security, health and safety at work place, gender balance at work place, elimination of child labour, etc.

National Child Labour Elimination Policy 2010

The Government of the People's Republic of Bangladesh has already taken various steps to eliminate all forms of child labour, particularly all types of hazardous work. The Ministry of Labour and Employment (MOLE), Department of Labour, Department of Inspection for Factories and Establishments, other government organizations and field level agencies are implementing these initiatives.

2.2.2.2 *International Policies*

ILO's Fundamental conventions:

ILO has eight fundamental conventions:

1. Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)
2. Right to Organize and Collective Bargaining Convention, 1949 (No. 98)
3. Forced Labour Convention, 1930 (No. 29)
4. Abolition of Forced Labour Convention, 1957 (No. 105)
5. Minimum Age Convention, 1973 (No. 138)
6. Worst Forms of Child Labour Convention, 1999 (No. 182)
7. Equal Remuneration Convention, 1951 (No. 100)
8. Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

Other than the minimum age convention No. 138, Bangladesh has signed and ratified all of the above mentioned.

ILO Core-Conventions and ratifications in Bangladesh:

Most of the codes refer to these mentioned international standards, especially the ILO core labour standards. The ILO formulates international standards in the form of conventions and recommendations setting minimum standards of basic labour rights. Besides the mentioned standards in table 1, there are other standards regulating conditions across the entire spectrum of the work related issues. These principles are concretized in eight ILO conventions, in each case two for the four fundamental principles mentioned (see table 1). The ILO conventions are obligatory only if they are ratified by the member states. The entire number of the ratifications increased in the last years noticeably and varies - depending upon convention - in the order of magnitude between 148 and 172. Until July 2007, 128 countries had ratified all eight conventions. Bangladesh has ratified seven out of the eight core conventions.

Table 1: ILO Core Conventions and Ratifications in Bangladesh

Standard	Convention	Ratification
Freedom of association and bargaining	Convention 87 (Freedom of association)	Yes
	Convention 98 (Right to organize & collective bargaining)	Yes
Elimination of forced and compulsory labour	Convention 29 (Forced labour)	Yes
	Convention 105 (Abolition of forced labour)	Yes
Elimination of discrimination	Convention 100 (equal remuneration)	Yes
	Convention 111 (employment and occupation)	Yes
Abolition of child labour	Convention 138 (Minimum age)	No
	Convention 182 (worst forms of child labour)	Yes

Table 2: Detailed Comparison of the Bangladesh Labour law and SA8000 at AKG

Standard	Bangladesh Labour law 2006		SA8000	Combined Steps for AKG and Present status
Child and young Labour	Minimum Age	14	15	No child labour at the age of 14 or below and no child labour will not be employed
	Exception	Child Attending 12 year age may be employed if work is not dangerous for his health, does not hamper education	or 14 if meets developing country exemption; or local minimum age if higher	
	Restriction of appointment of adolescent in certain work	Cleaning, lubrication or for other adjustment operation of the machinery while it is in motion Any work in between the moving parts of a machine	Not expose children or youth workers to situations that are hazardous, unsafe or unhealthy	There are 64 young/adolescent labour and none of them are working in hazardous place
	Labour Law	Not mentioned but mentioned in Bangladesh labour rules 2015	Not engage in or support the	There is no forced labour available and no forced

Forced Labour			use of forced labour	labour will be employed
	Constitution	All forms of forced labour are prohibited and any contravention of this provision shall be an offence punishable in accordance with law.	Personnel shall not be required to lodge 'deposits' or identity papers upon	
Freedom of Association and Collective Bargaining	Constitution	Article 38 states: "Every citizen shall have the right to form associations or unions subject to any responsible restrictions imposed by law in the interests of morality or public order".	Recognize & respect right of all workers to form or join trade unions of their choice and to bargain collectively	A union exist but it's not effective. There is no labour representative in the factories of AKG. Representative will be nominated or elected. Also an effective Grievance
	Trade unions and freedom of association	Workers without distinction whatsoever, shall have the right to establish and, subject only to the Rules of the organization concerned, to join associations of their own choosing without previous authorization; trade unions and employers 'associations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and	Workers' representatives not discriminated against and have access to carry out functions in workplace.	mechanism is suggested in the social management framework.

		activities and to formulate their programs;		
Discrimination	Constitution	Constitution of Bangladesh Article 28:1) The State shall not discriminate against any citizen on grounds only of religion, race, caste, sex or place of birth. 2) Women shall have equal rights with men in all spheres of the State and public life.	No discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, or political affiliation or age	No discrimination is observed during the survey/consultation. But HR policy of AKG will address this as documentation
	Labour Law	In determination of the wages for a worker or in fixation of the minimum wages equality irrespective of the sex of the worker, shall be maintained. No discrimination in this regard shall be tolerated by law.		
Harassment and Abuse	Constitution	Harassment and abuse is prohibited	No corporate punishment, mental or physical coercion or verbal abuse. No sexually coercive or exploitative behaviour	AKG is following labour law of Bangladesh in respect of Harassment and abuse strictly
	Labour Law	Where any female worker is employed in any work of the establishment, irrespective of their rank or status, no one of that establishment shall behave with the female worker which may seem to be		

		innocent or repugnant to the modesty or honour of the female worker.		
Compensation and benefits	Minimum Wage	Minimum wage have to be paid	Wages shall always comply with all applicable laws, regulations and industry minimum standards	AKG will follow national law and all are already in practice
	Overtime	Shall be compensated with the double of the basic wage	Overtime shall be compensated at a premium rate	
	Deductions	No deductions for reasons not provided by the law	No deductions as disciplinary measure or for reasons not provided by national law except with permission of worker	
	Payment	Wages paid on a regular and timely basis	Wages paid on a regular and timely basis.	
	Maximum Hours	48/week-8/day	48/week	It is already maintained but

Working Hours	Overtime	12/week- 2/day	12/week, overtime voluntary	database is necessary
Leave	Leave and Holidays	<u>Weekly:</u> 1 day off <u>Annual leave:</u> 1 day for every 18days of work performed during previous period of 12 months <u>Festival Holidays:</u> 11 days <u>Casual leave:</u> 10days with full payment	1 day off in 7 days	AKG is following Bangladesh labour law
Work Environment	Health	<ul style="list-style-type: none"> - Healthy working environment - Access to clean facilities and potable water - provision of dustbins - First Aid Appliances - Medical Facilities 	<ul style="list-style-type: none"> - Access to clean facilities and potable water, and if appropriate, sanitary facilities for food storage. - Safe and hygienic working environment - knowledge of industry and specific hazards - Take adequate steps to prevent accidents and injury, by minimizing the causes of hazards 	AKG is following labour law. In some cases like accident and safety their standard is better. But all needs to be documented.
	Work place Condition	Space, Temperature, ventilation, Noise, Light		
	Safety	<ul style="list-style-type: none"> - Safety of building - Safety of machinery - Gates/Stairs - Emergency Exits - Fire extinguisher 		
	Welfare	First aid appliances Toilets and washing facilities Canteen where > 100workers Restroom where > 50 workers child day-care where > 40 female workers employed		

IFC Performance Standard 2 and SA8000:

- Where the client is a party to a collective bargaining agreement with a workers' organization, such agreement will be respected. Where such agreements do not exist, or do not address working conditions and terms of employment, the client will provide reasonable working conditions and terms of employment
- Where accommodation services are provided to workers covered by the scope of this Performance Standard, the client will put in place and implement policies on the quality and management of the accommodation and provision of basic services.
- The accommodation services will be provided in a manner consistent with the principles of non-discrimination and equal opportunity. Workers' accommodation arrangements should not restrict workers' freedom of movement or of association.
- In countries where national law recognizes workers' rights to form and to join workers' organizations of their choosing without interference and to bargain collectively, the client will comply with national law. Where national law substantially restricts workers' organizations, the client will not restrict workers from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment. The client should not seek to influence or control these mechanisms. In either case described in paragraph 13 of the Performance Standard, and where national law is silent, the client will not discourage workers from electing worker representatives, forming or joining workers' organizations of their choosing, or from bargaining collectively, and will not discriminate or retaliate against workers who participate, or seek to participate, in such organizations and collective bargaining. The client will engage with such workers' representatives and workers' organizations, and provide them with information needed for meaningful negotiation in a timely manner.
- Workers' organizations are expected to fairly represent the workers in the workforce.
- Non-Discrimination and Equal Opportunity: The client will not make employment decisions on the basis of personal characteristics unrelated to inherent job requirements. The client will base the employment relationship on the principle of equal opportunity and fair treatment, and will not discriminate with respect to any aspects of the employment relationship, such as recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, and promotion, termination of employment or retirement, and disciplinary practices.

- The client will take measures to prevent and address harassment, intimidation, and/or exploitation, especially in regard to women. The principles of non-discrimination apply to migrant workers.
- In countries where national law provides for non-discrimination in employment, the client will comply with national law. When national laws are silent on non-discrimination in employment, the client will meet this Performance Standard. In circumstances where national law is inconsistent with this Performance Standard, the client is encouraged to carry out its operations consistent with the intent of paragraph 15 without contravening applicable laws.
- Special measures of protection or assistance to remedy past discrimination or selection for a particular job based on the inherent requirements of the job will not be deemed as discrimination, provided they are consistent with national law.
- The client will comply with all legal and contractual requirements related to notification of public authorities, and provision of information to, and consultation with workers and their organizations.
- The client should ensure that all workers receive notice of dismissal and severance payments mandated by law and collective agreements in a timely manner. All outstanding back pay and social security benefits and pension contributions and benefits will be paid (i) on or before termination of the working relationship to the workers, (ii) where appropriate, for the benefit of the workers, or (iii) payment will be made in accordance with a timeline agreed through a collective agreement. Where payments are made for the benefit of workers, workers will be provided with evidence of such payments.
- The client (here AKG) will provide a grievance mechanism for workers (and their organizations, where they exist) to raise workplace concerns. The client will inform the workers of the grievance mechanism at the time of recruitment and make it easily accessible to them. The mechanism should involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, without any retribution. The mechanism should also allow for anonymous complaints to be raised and addressed. The mechanism should not impede access to other judicial or administrative remedies that might be available under the law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements. A grievance mechanism is suggested in the social management framework and also in section 3.7
- The client will not employ children in any manner that is economically exploitative, or is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health

or physical, mental, spiritual, moral, or social development. The client will identify the presence of all persons under the age of 18. Where national laws have provisions for the employment of minors, the client will follow those laws applicable to the client.

- Children under the age of 18 will not be employed in hazardous work. All work of persons under the age of 18 will be subject to an appropriate risk assessment and regular monitoring of health, working conditions, and hours of work.

2.3 Quality Management Gap Analysis Procedures

The gap analysis has been conducted using a synchronized combination of the following:

- I. On-site observations
- II. Interviewing employees/personnel associated with the facilities
- III. Checklists
- IV. Review of documentation
- V. Analysis of collected data

2.3.1 On-site observations

One of the methods used to conduct the gap analysis included visiting the facilities that the project is based on. The team consisting of consultants who are specialized in the fields of Occupational Health and Safety and Social Compliance, particularly in OHSAS 18001 and SA 8000 went about the facilities to collect data, made visual observations and noted down any information they find relevant. The site visit took place while the operations of the facilities run in their usual manner.

2.3.2 Interviewing employees/personnel associated with the facilities

While conducting the on-site observations, the consultants interviewed employees and personnel in the facilities to aid their study. This was done at random and was sample-based. A total of 25 labours were interviewed for the labour audit. During the meeting with the labours, management team were not present at that time. In separate meetings, critical key members of the management including Sakir Hossain, Deputy Manager & HR in charge, Md. Ekramul Haque, Mr. Iftekhar Security Manager, Md. Nurul Afsar Senior Manager & Head of Steel Division HR, Md. Abdur Rahman, Safety Manager, and Shafayat Hussain, Executive, Treasury etc. were consulted about the present situation of AKG and what will be the possible action plan for the labour, health & safety and environment for the next 5 years..

2.3.3 Checklists

Checklists were used to aid the gap analysis. The checklists covered all the indicators required to fulfil the OHSAS 18001 and SA 8000 standards. The audit summaries below are generated from the checklists used in the field.

2.3.4 Review of documentation

The reviewing of documentation is one of the most important procedures for the gap analysis study. This included documents used for the operations of all of the three facilities that were under consideration of the study. The OHSAS 18001 and SA 8000 both have crucial documentation requirements which make up a major part of the standard. Both the standards emphasize on documented procedures & policies and have certain guidelines for the documentation to comply with them. The documentation were investigated to find the gaps between the current documentation & system of documentation and the requirements mentioned in the standards.

2.4 Analysis of collected data

The data collected while the on-site visits, interviews with employees & other personnel and reviewing of the documentation were compared respectively to find any inconsistencies present between the documentation and operation, which are used to draw an overall conclusion of the gaps present in the current management system.

The basic principle of the analysis is on the premises of a standard as-is analysis. Building upon the scoping review and supplemented by qualitative data collected through interviews, and meetings across different organizational level, the team completed this 'As-Is' gap assessment against the aforementioned quality standards to establish the current state of Abul Khair steel and power plants in organization health, safety, social accountability, labour and young worker aspects.

2.5 Relation of the IFC Performance Standards to SA 8000 and OHSAS 18001

Although the SA 8000 and OHSAS 18001, covering mainly Social Accountability and Occupational Health and Safety respectively, are generic standards, some of the areas of study are common among the IFC Performance Standards. Comparatively, IFC Environmental, Health, and Safety General Guidelines, IFC Performance Standards on Environmental and Social Sustainability and more specifically, IFC Environmental, Health, and Safety Guidelines for Thermal Power Plants are more specific. But the advantage of the generic standards are that these can be applied to organizations dealing with products or services taking into account the organizational culture, intentions of the Top, capability of the organization, Management, international BMs (Bench Marks) and the global Best Practices and above all, the legal requirements of the country and agreements signed by the organization with other organizations. Besides, because of the flexibility and continual improvement in the generic system, all factors considered necessary on Health, Safety and Social Accountability can be take into account and continually changing requirements of the dynamic world.

All the eight IFC Performance Standards on Environmental and Social Sustainability will be accounted for to a great extent in our survey which are:

- Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
- Performance Standard 2: Labour and Working Conditions
- Performance Standard 3: Resource Efficiency and Pollution Prevention
- Performance Standard 4: Community Health, Safety, and Security
- Performance Standard 5: Land Acquisition and Involuntary Resettlement
- Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- Performance Standard 7: Indigenous Peoples
- Performance Standard 8: Cultural Heritage

Our survey will take into account some or most of the requirements of IFC Environmental, Health, and Safety (EHS) Guidelines which are:

- General Facility Design and Operation
- Communication and Training
- Physical Hazards
- Chemical Hazards
- Biological Hazards
- Radiological Hazards
- Personal Protective Equipment (PPE)
- Special Hazard Environments
- Monitoring

On the **Community Health and Safety**, Our survey will take into account some or most of the requirements of IFC Environmental, Health, and Safety (EHS) Guidelines which are:

- Water Quality and Availability
- Structural Safety of Project Infrastructure
- Life and Fire Safety (L&FS)
- Traffic Safety
- Transport of Hazardous Materials
- Disease Prevention
- Emergency Preparedness and Response

3 Labour Audit at Abul Khair

Site Visit by GIEK at Abul Khair Power Plant identified the necessity for undertaking preliminary labour audit covering own and contractor workers of Abul Khair Ltd., Abul Khair Steel Ltd. And Abul Khair power and Steel Ltd. to assess compliance with the national laws, SA8000 and IFC PS2 requirements. In this regard, AKG hired Consultant for carrying out the labour audit. The consultant visited the Power Plant and carried out initial labour audit from 5th December, 2015 to 6th December, 2015, 7th February 2016 and surveyed on labour conditions from January 3 to January 8, 2016.

Labour assessment for Abul Khair Ltd., Abul Khair steel Ltd. and Abul Khair Steel and power Ltd. has identified the necessity for undertaking existing labour conditions covering own and subcontractor workers of three companies to assess compliance with the national laws and IFC PS2 requirements. It has also identified the existence of young labour in the companies and prepare a back to school programme for the youth workers.

The major findings of the factory visits and meetings with the management is given below:

- A total of 64 young workers were found who have not completed primary education;
- 5 adolescent labour were found in the hazardous sections;
- Workers of the contractors do not have contract letters;
- Power plant workers should be brought under contract immediately;
- Some OHS & PPE related issues have been identified and detailed in the respective sections of the report. These concerns should be addressed at the earliest;
- A detailed HR Policy and a standalone Young Worker Policy needs to be set up;
- Social Accountability and Performance Team should be set up;
- Environmental standards and hazards should be monitored routinely according to the monitoring plan in the respective report, and necessary actions should be taken.

3.1 Position of Abul Khair Management on Young Workers

The management and workers were supportive during the factory visits and throughout the survey time, and provided all necessary documents as required by the consultant to make this visit effective. A total of approximately 3000 employees are working within these 3 companies. A total of 64 young/ adolescent (15-18 year old) labours were found during the visit and most of them are working in the canteen, some of the adolescent labours are working as messengers. No workers were found below the age of 14 years in AKG.

AKG is one of the leading industrial groups in Bangladesh and they are looking forward to international recognition. They are also aware and respect the child labour prohibition policy 2010 undertaken by Bangladesh government and stopped recruiting labours under the age of 18 as workers from this January 2016, and has diverted adolescents between the ages of 15-18 from hazardous work to other administrative works. Only 5 adolescent labour out of 64 were found in the hazardous sections and all of them were shifted to non-hazardous section. Abul Khair acknowledges Bangladesh government policy and their administration has full commitments to avoid and prohibit use of child labour in their factories. But according to the national and international labour policy, consultant suggests AKG that if they want they will be able to engage young labours however their work place will need to be in a safer zone (i.e. Non-hazardous labour as defined previous). But keeping the existing socio-economic condition of the families of the labours, they would rather intend to support career development schemes through basic education and appropriate skills development training programmes as suggested by the government policy then direct dismissals. This strategy is reasonably supported by the young labours working in the organization and their family/ guardians.

No young/ adolescent labours were found in the construction site of the power plant. Some of them were found counting the iron bars and sheets in AK steel factory. All of the young labours are now working in the non-hazardous premises. Due to health and safety issues, high level of noise pollution, the environment and their tasks are considered as hazardous work and therefore, they are already shifted to non-hazardous work in Abul Khair Ltd. in administrative jobs like office assistants, messenger, canteen boy, etc. A framework has been prepared for these existing child labours and AKG shows very positive intends to accept the framework to comply with national and international labour policies, which will proceed them one step forward towards international expansion.

A total of 64 adolescent labours were found in three companies where 44 are directly employed by AKG and rests 20 are employed by contractor named Nadira Enterprise. AKG is taking full responsibility of these 20 adolescent labours together with the 44 own labours. All the young labours are now in the payroll of AKG. According to the Bangladesh Labour Law 2006 and Labour Rules 2015, adolescent labours are allowed to work but company will not be able to engage them in any hazardous work until they are 18. AKG is very positive to give them career development training, so that they can be the key employees of AKG.

3.2 Human Resources and Labour Policy of AKG

There is no written existing Human Resources and Labour Policy of AKG for the management of the employees. According to the labour law 2006 of Bangladesh, it is not mandatory for any company/ group to prepare an HR policy by their own. But according to the child labour prohibition policy 2010, there has to be a standalone Child Labour policy of the organization if child labour is found. If they do

not have the policy, they must comply with the national law. But a group of companies, who has intention to expand their business abroad, should have a policy which supports all national and international laws. AKG shows positive intentions for this and they have already started preparing HR policy and draft HR policy of AKG will be completed by the end of March 2016. AKH has already started preparing the draft which will includes roles and responsibilities of personnel, non-discrimination policy, HIV/AIDS non-discrimination policy, anti-sexual harassment policy, policy for prohibition of child and forced labour and procurement policies and procedures (PPP) for dealing with contractors and suppliers. HR policy will also include grievance mechanism, procedures for monitoring the contractors. The internal monitor will prepare an audit report in every 3 months and annually an audit will be conducted in combination of internal and external auditors. 1st year of the project, both internal and external auditors will play a major role for the successful implementation of the project in terms of young labour and their rehabilitation. In the 2nd and 3rd year, external monitoring will be bi-annually, and in the 4th and 5th year annually. The HR Policy will ensure that the Contractor complies with the same while engaging local sub-contractor or contract workers.

Following suggested issues must be followed:

- Policy must include working relationship, working conditions and terms of employment, worker's organizations, non-discrimination and equal opportunity, grievance mechanism, protecting the work force mainly the child and youth labour, policy on existing young labours, occupational health and safety etc.;
- Centrally organize all policies and procedures;
- Identify and record responsible person and last date modified;
- Conduct an annual review of all policies and procedures;
- Prominently display policies and procedures in local language;
- Implement standardized routine training; and
- Policies and procedures for contractors and sub-contractors
- Appoint a person responsible for monitoring policies and procedures; including for auditing contractors adherence to the policy

3.2.1 HR Policy of Contractor

In AKG, contractors provide most of the day labourers required by the organization and a large number of contractors/subcontractors are engaged in performing construction/civil/electric and other works for AKG and they do not have any HR policy (list of contractors has been attached in Annex-1). As these contractors do not have any HR policy by their own, they must comply with the HR policy of AKH and

all national laws. If any new contractor is engaged and if the contractors do not have an acceptable HR policy in accordance with AKG HR and labour policy, contractor will follow the HR policy of AKG. All the contract workers directly employed by Contractor have been contracted with contract agreement. For engaging sub-contractors or labour suppliers, Contractor will collect required documents from the concerned parties. The major documents will be child labour policy, HR policy etc. If the sub-contractors do not have these documents, they must follow AKG HR and labour policy. During employing workers directly or through sub-contractors, child labour engagement is strictly avoided, and National ID Card of each worker is to be checked and copy of the same is too kept in the file. The workers have to be appointed only after passing the physical and medical tests as all works in the factory is hazardous. Non-discrimination as well as protection against sexual harassment and forced labour has to be ensured by Contractor.

But if the contractors or sub-contractors have a HR policy by their own and adequate written procedures to implement this, and if it is supported by the national laws and HR policies of AKG, then there will be no obligation. But AKG have to verify these documents prior to entering a new contract confirming that contractor's policy is in alignment of AK HR policy and regulations. But if the HR policy of contractors/subcontractors is not supported by the AKG policy, in that case contractors are bound to follow the rules and regulations that mentioned in the HR policy of AKG. In case, if it is identified and proved that the contractors/sub-contractors are not abiding the AKG policies, then their contract will be instantly voided. All the contractors/sub-contractors are already given a notice about the child labour/adolescent labour that if they engage any labours in these mentioned category their contracts will be voided automatically.

Contractor must maintain files of contract agreements with different parties, and maintains records of working hours and overtime of the workers.

As the construction work in the power plant is going on, it is of critical importance to bring all the labours into the contract with the contractors immediately. According to the Labour Policy and Labour rules of Bangladesh, it is the most important criteria. It was found during the field visits that some labours are not contracted. All types of labours including full time, part time, temporary and the daily basis labours have to be in a contract with the contractors immediately. It will be implemented no later than 15th March 2016 and confirmation provided to the lenders. AKG must monitor this with priority

3.3 Working Hour and Overtime

According to contemporary labour law of Bangladesh (Bangladesh Labour Law 2006, last amended in 2013), each labour should enjoy a weekly holiday after maximum 6 days of continuous works. This implies, there should be maximum 26 working days per worker per month. By law, daily working hour

is 8 hours and daily overtime should not exceed 2 hours. So, maximum working hours including overtime is 60 hours per week, but on the average this should not be more than 56 hours per week (according to Bangladesh Labour Law). This means, average maximum overtime per week is 8 hours, from which it might be implied that maximum average overtime per month should not exceed 36 hours (= 8 hours * 4.5 weeks).

So far AKG is maintaining this working hours and overtime issues. But a database has to be maintained which will be monitored by the internal monitor. Pay slip for the each employee have to be issued. It was found that all direct employees of AKG receive pay slips. But the contractors/sub-contractors does not issue pay slips for the daily basis or weekly basis labours. Internal monitor and HR managers of AKG must monitor the labours of contractors working hours, overtime and pay slip issuance and in the quarterly report by the internal monitor will reflect this.

In the contract with the power plant labours, all the facilities have to be mentioned where working hours and overtime must be identified. All the power plant workers must receive payslips. This has to be confirmed by AKG by 15th March 2016.

3.4 Young Labour

AKG has already stopped hiring any new young/ adolescent labours as they are planning to start rehabilitation programme with the existing 64 young labours. They have already given oral and written notice to the contractors that engaging new child labours in the factory will void their contract with AKG. Contractors has already provide AKG existing adolescent labours list and AKG is planning to provide them basic education and capacity building training for career development. AKG will amend the contract with the contractors mentioning that employing the child labour is fully prohibited. During the consultation meetings with the adolescent labours, it is found that most of them have completed their primary education. Some of them even completed class 8. Only few of them found class three pass. Out of 64 young labours, 34 labours has already completed primary education, and 30 of them are still to complete. Out of 30 young labours, 5 completed class 2 education, 13 completed class 3 education and 12 completed class 4 education.

Table 3: Age and Education Level of Young Workers in AKG

Education Level	Number	Age	Normal age to complete education level
Completed class 2	5	15 to 17	6 to 9
Completed class 3	13	15 to 18	7 to 11
Completed class 4	12	15 to 17	10 to 13

Details on Young Workers assessment is explained in chapter 4 of this report.

3.5 Personal Protective Equipment

A Personal Protective Equipment (PPE) Matrix has been developed for ensuring workers' safety for different types of jobs, e.g. cutting, grinding, excavation, work at height, pipe laying or manual lifting, confined spaces, electrical work, welding, spray painting, concreting, chemical handling activities, chainsaw (excluding tree felling), traffic control etc. All the personnel/workers are bound to use mandatory PPEs i.e. safety helmet and safety shoes as well as wear or use job/site specific other PPEs i.e. safety shield, safety gloves, safety goggles, safety mask, gum boots, safety harness/belt etc. On-job-training is being impacted by both Contractor and personnel of AKH regarding usage of PPEs and its importance. In any case of non-compliances, work is stopped immediately and remedial actions are taken. Formal arrangement has been ensured for changing of safety shoes quarterly, gloves in every 15 days, and changing or maintenance of other PPEs as per requirement. Internal audit on PPE is being conducted by AKH personnel on weekly basis by AKG and documentation is being maintained. In addition, PPE and other awareness materials (e.g. display boards, banners etc.) have been visible through different areas of the factories.

AKG provides all the PPE to the labours of their own and contractors labours. However, some shortages of PPE are observed. AKG do not charge for the PPE. These are completely free of cost. AKG management has recently approved a significant budget increase to meet all the PPE shortages.

3.6 Contractor management System

Nature of the group of companies like AKG, it is very important to establish a contractor management system which will be explained broadly in the HR policy of AKG. AKG have to make sure that contractors/sub-contractor follow the HR policy of AKG in all aspects which includes recruitment of the labours, zero tolerance in recruiting the child labours, existing young labours development programmes, salary and overtime payments, working hours, health and safety, appoint letters of all employees, Grievance procedures, training and development, weekly holidays, compensation etc. All the existing and future contractors must be monitored by the internal and external monitor for the 5 years from the beginning of this project, with more frequent external monitoring during the first years. Later on, internal monitor will keep continue monitoring the labour issues. Contractors must submit a quarterly report to the AKG mentioning the all labour related issues. Contractors have to specifically mention in the quarterly report about the engagement of the labours in the 3 months period and categories of labours with their age. If the contractors engage any new labours, they must inform AKG straightway with the labours details.

If the contractors do not follow the HR policy or the national labour laws, their contract with AKG will be void if they found guilty through the grievance mechanism procedure. It will be strictly monitored by the AKG.

3.7 Grievance Mechanism

A grievance Mechanism is advised below for the AKG. This same mechanism will be followed by the contractors and sub-contractors. This mechanism is prepared based on the national and international best practices and the laws. The grievance mechanism document is prepared, and available for sharing as required. This needs to be documented in the HR and labour policy.

AKG currently has an informal grievance mechanism system. An “open-door policy” exists however no written procedures pertain to this. . Labours normally text to the managers about their complaints though there are complain boxes. All the grievances should be recorded. AKG will establish a transparent process for workers to express concerns and file grievances, including anonymous complaints. AKG have to ensure that there will be no retaliation or discrimination against those that express grievances. Management will treat the grievances seriously and take prompt, appropriate action. Any grievance mechanism will not replace other channels as defined by law or collective bargaining agreements. Good worker-manager communications can enable workers to raise concerns before they become a serious complaint. Explanations of responses to complaints, even if only to alert workers to a delay in the process, are key to ensuring workers understand their complaints are respected and have to take seriously. The GM have to be accessible to all workers including the contractors’ workers and they must know what Grievance Mechanism is. It is normal in a factory like AKG will have illiterate workers. They will prefer to raise their grievance orally. In that case they will put their grievance to their immediate supervisor or preferred personnel who will keep note of that in writing for the next steps. It is really important to keep notes of all the grievances and record it.

The GRM will record the details of the complaints and their resolution in a register, including intake details, resolution process and the closing procedures. AKG will maintain the following three GRM Books:

Opening Book: (1) Case no., (2) Date and channel of receipt, (3) Name of complainant, (4) Gender, (5) Employee ID number (6) Complete address, (7) Main objection (loss of land/property or entitlements), (8) Complainants’ story and expectation with evidence, and (8) Previous records of similar grievances.

Resolution Book: (1) Serial no., (2) Case no.,(3) Name of complainant, (4) Complainant’s story and expectation, (5) Date of hearing, (6) Date of field investigation (if any), (7) Results of hearing and field

investigation, (8) Decision of GRC, (9) Progress (pending, solved), and (10) Agreements or commitments.

Closing Book: (1) Serial no. (2) Case no., (3) Name of complainant, (4) Decisions and response to complainants, (5) Mode and medium of communication, (6) Date of closing, (7) Confirmation of complainants' satisfaction, and (8) Management actions to avoid recurrence.

3.7.1 Definition

Employees may have dissatisfaction or complains for many reasons while working in a company. If and when, any dissatisfaction or feeling of injustices is brought to the notice of management in writing, it is officially treated as Grievance. Such reasons of discontent may include disciplining, job posting, denial of personal request, promotions, compensation, increments, level or working conditions etc. In case of an employee having any grievances, which is to be brought to the notice of appropriate authority, will be given a full and impartial hearing.

Any individual employee, who has a grievance in respect of anything connected with his employment in the Company, shall observe the following procedure for right of his grievance. The employee needs to inform his / her grievances in writing or verbally to his/her colleagues. There has to be grievance drop boxes for written charges and the aggrieved person can anonymously write their grievance to be investigated in these grievance boxes. In case of the grievance being instigated by any incident or occurrence, the employee needs to notify the appropriate authority within five working days of the occurrence. The senior should be available and should arrange for a fair hearing within next five working days, upon receiving the grievance notice. The senior should try to solve the dilemma in consultation with concerned Admin & Planning personnel.

If the problems remain unresolved, then the employee has the right to appeal it to the Departmental General Manager in writing with a copy to Admin & Planning Department within three working days after receipt of the senior manager's reply. Departmental General Manager in consultation with the Admin & Planning department will enquire into the matter and give the employee an opportunity of being heard. Afterwards, the employee will be informed of decision in writing within five days of receiving the grievance note.

If still unsatisfied the matter needs to be submitted to the Plant Manager through Admin & Planning department. The Plant Manager will then initiate thorough investigation and a fair hearing opportunity will be given to the employee. Later the decision will be communicated to the employee within fifteen days which shall be final and binding.

3.7.2 Suggested Grievance Mechanism (GM) Procedure for AKG:

The following suggested GM will be applicable for the AKG and its contractors.

Step 1: The worker should present the complaint or grievance written or verbally to the most immediate supervisor who has the authority to make adjustments in the matter, of the alleged grievance or knowledge. AKG and the contractors will provide each supervisor with a log for recording all complaints presented and the action taken. The company will also provide clear procedures and channels for workers to file grievances anonymously and file grievances against their direct supervisor if he/she is the problem. Workers also need a confidential avenue for filing complaints and for requesting that a case be handled confidentially. Although it is important for workers to understand there are transparent procedures for management to review and respond to complaints, the process should not be overly bureaucratic.

Step 2: If a satisfactory settlement is not reached in Step 1 within three days, or if the worker fears making the complaint or grievance directly to the most immediate supervisor, then the worker representative may present the complaint or grievance verbally to the supervisor concerned. The worker may choose to remain anonymous.

Step 3: If a satisfactory settlement is not reached in Step 2 within three days following its completion, the worker or his or her chosen representative for the case may present the complaint or grievance to the Factory/Department manager. Upon the request of said Department Head, the complaint or grievance shall be in writing and shall state the complainant(s) or grievant(s) names(s).

Step 4: If a satisfactory settlement is not reached in Step 3 within five days of the date of submission of the written complaint or grievance to the Department/Factory Head, the worker or his or her chosen representative for the case may present the complaint or grievance to the Head of the Human Resources Department. The Head of the Human Resources Department or his/her designee shall schedule a meeting to be held within fourteen days of the receipt of the complaint or grievance with the worker or his or her chosen representative, for the purpose of attempting to resolve the complaint or grievance. The worker can bring one or two peers for support during this meeting; those workers will also be covered under the non-reprisal clause. The Head of the Human Resources Department or his/her designee shall respond in writing within seven days of the date of the meeting.

Step 5: If the complaint or grievance is not resolved at Step 4, the employee or his or her chosen representative may, within 14 days after the written response from the Head of the Human Resources Department, serve written notice to the Company that he or she desires to have the complaint or grievance on the agenda of the next meeting of the Management Team/factory internal meetings. At the meeting, the worker or his or her chosen representative shall present the details of the complaint or

grievance and the company shall respond. Every effort shall be made to secure a resolution in the best interests of the worker(s) and the company.

Step 6: If the complaint or grievance is not resolved at Step 5 and it is clear that resolution within the company is impossible, the worker or his or her chosen representative may refer the complaint or grievance to the Labour Ministry for resolution.

Step 7: The Internal Monitor and the management team will conduct a quarterly review of all complaints and actions taken. The Team will review the complaint logs of each supervisor and Department Head to evaluate the effectiveness of the grievance procedure and resolutions. As part of the quarterly review, the Team will follow up directly with the worker or his or her chosen representative to make sure there has been no retribution. The Team will maintain a central record of all complaints and resolutions. The logs from each quarterly review will be added to this central record.

3.8 Collective Bargaining for the Labour Force

AKG will comply with Bangladesh Labour law that recognizes workers' rights to form and to join workers' organizations. It is the most effective way for workers to file grievances. AKG cannot interfere with or discriminate against workers who choose to organize. Worker representatives must have access to management and Worker representative is expected to fairly represent the workforce.

Suggested Procedure:

AKG has a workers union which is not active and is not documented. There is no worker's representative. Workers representative can be elected by the work force preferred from the contractor's labour. Following procedure is suggested for AKG;

- Clear policy allowing collective bargaining
- Collective bargaining agreement will be negotiated and honoured in good faith
- Management and workers nominates/elected worker representative
- Management will clearly inform workers of their legal rights
- Company will advise workers that effective unions are good for business and workforce
- Regular training on worker-manager communications
- Regular meetings between representative and manager
- All types of meetings will be documented

3.8.1 Disciplinary Actions

The company and the Plant Manager believe in good will, commitment and dedication of the employees. However, Company's will not tolerate any misconduct or violation of company rules by any of the employees. In case of such deeds the company will sought take disciplinary actions against the employee. It is the responsibility of all employees to maintain rule and regulations of the Company. However, the senior managers are also responsible for educating their employees and motivate themselves to maintain the rules and regulations of the Company. In worst case scenarios, Disciplinary Actions may lead to termination of the accused individual or group. Under no circumstances, the workers can be issued to pay back financial damages to AKG or its employee/contractors. It must be stated in the AK HR policy and standalone labour policy. It is to be noted that no national and international policy support pay back financial damages.

3.8.2 Objectives of Discipline

- Ensure a friendly atmosphere in the Company
- Develop and practice respect for human beings and human relations to create favourable atmosphere
- Create feeling of understanding, tolerance and mutual cooperation among individuals

3.8.3 Disciplinary Action Procedures

According to Bangladesh Employment of Labour (Standing Order Act), 1965, no order for discharge or dismissal of an employee shall be made unless

1. The allegation against him/her are recorded in writing,
2. He / she is given a copy thereof and not less than 3 days' time to explain.
3. He / she is given personal hearing if such a prayer is made and
4. The employer or the manager approves of such order.

An employee charged for misconduct may be suspended pending enquiry into the charges against him/her and unless the matter is pending before the court, the period of such suspension shall not exceed 60 sixty days.

The following sequential stages that are required to explain the above-mentioned four criteria-

3.8.3.1 Issuance of Charge Sheet

Once a written allegation against an employee stating the offense is received, the authority reviews the merit of the offence and issues a charge sheet / show cause notice, to the alleged employee.

The charge sheet must be issued by a person who has the punishing authority (Senior Manager, General Manager of Department, Admin & Planning General Manager) in which the following aspects must be present

- Specific date, time and place of the incident.
- Necessary particulars of the misconduct.
- Quoting of the relevant section of the Act.

The accused is asked why disciplinary action will not be taken against him / her and he / she is given a minimum of 5 working days' time to explain / respond.

3.8.3.2 Consideration of the Charge Sheet

The accused employee may or may not submit his / her explanation. If he / she submits but does not admit the guilt, the matter has to be investigated. If he / she do not submit his / her explanation, the matter has to be investigated. If he / she admits his guilt, and asked for mercy, Plant Manager may take minor actions like warning, suspension etc. against him / her without further enquiry. However, formal enquiry is advisable when any of the situations arises.

The accused admits the offense (because accused may admit the offense under pressure. The court may ask the Company to justify allegation. Also others may be involved).The company is not satisfied with the explanation given in response to the show cause notice.

3.8.3.3 Inquiry Notice

This notice must be issued to the accused to enable him / her to defend his / her case adequately, which may be issued by enquiry officer or by the General Manager / Admin & Planning at least one week in advance of the enquiry. The notice of enquiry must specify

- Date, time, place of enquiry.
- The name (s) of the enquiry officer (s) / committee / board members.
- Indication that in absence of the accused in the proceedings, decision will be made.
- Asking to bring any witness in support of his side.

3.8.3.4 Submission of Reports

On completion of the enquiry, the enquiry employees have to submit a written report to the management with their findings. Every finding has to be supported by reasoning. The enquiry employees are engaged in a fact-finding mission only. The report is not binding on the punishing authority as per law. The board shall not recommend rather will conclude whether the accused is guilty of the charges or not

whether the accused is guilty of the charges or not whether the allegation is proved or not proved or partially proved or not.

3.8.3.5 *Warning:*

Warning is used a measure of progressive discipline in the first instance or instances of minor offenses. This may be informal or formal. Immediate Manager usually gives such warning.

Verbal Warning - When an employee's performance or conduct is below the acceptable standards of performance or conduct, General Manager shall analyse the seriousness or merit of the misconduct. If the misconduct is minor and it is the employee's first offense, then a Verbal Warning should be given.

Written Warning - A formal written warning must be used under the following circumstance.

If the situation does not improve and the employee repeats instances of minor offenses within 3 month following verbal warning the employee makes serious offenses in the first time. It is the proposed policy of AKG to give accused employee of being heard or explain his / her side. Before taking warning decision, the written details of the complaint will be informed to the employee and he / she will be asked to explain his / her side. If he / she explanation is accepted to the Plant Manager, no action will be taken, however, if explanation is unsatisfactory, the General Manager of the department will issue first warning letter to the employee.

3.8.3.6 *Suspension*

In the following situations an employee may be suspended by the company:

- Whenever a charge of misconduct is brought against an employee, depending on the severity of the alleged misconduct the accused employee may be suspended pending enquiry into the charges against him / her. However, the period of suspension will not be more than 60 days unless the matter is pending before any court.
- Whenever the employee is found guilty of misconduct but not dismissed in consideration of extenuating circumstance, may be suspended as a measure of punishment without any salary for a period of not more than seven days.
- In the event an employee has been on unauthorized leave for a period not less than ten calendar days, and fails to explain to the satisfaction of the Company the reason of his / her failure to return at the expiry of the leave, the Company may on consideration of extenuating circumstances may suspend him / her as a measure of punishment without any salary for a period of not more than 07 (seven) days.

The Suspension order will be effective immediately on delivery to the employee. A suspended employee cannot perform any of the official duty nor can sign any official documents. However, upon written authorization from the competent authority, a suspended employee can attend to the office and performs duty as per instruction given.

3.9 Employee Training and Development Policy

Employee Training and Development is required in order to maintain a competent workforce, who are able to respond to the demands made upon them in carrying out their jobs. Quality training is required to equip the workforce with the necessary skills, knowledge, competencies and attributes to perform their jobs effectively. Training also need for the existing young workers of AKG based on their merits and age. All child labours must receive training which was discussed broadly in the following section.

3.9.1 Training Need Assessment

Identification of the training and development needs of an employee has to be initiated by the concern Manager and the A&P Department. A&P Department is responsible to organize the required training for the employee at the earliest on basis of importance of the training subject. Training needs can also be derived from new job / assignment given to any employee as additional responsibility due to transfer or promotion. Needs assessment has to be conducted separately for the young workers.

3.9.2 Mode of Training

Several mode of training are in practice in today's businesses. They are:

- **Orientation:** The Admin & Planning Department of the company would organize orientation program for the new employees, where the incumbent will be welcomed and introduced him / her to their colleagues and also orient him / her on the Company's vision, mission, values, shareholders, HR Manuals etc.
- **In-House Training:** AKG through its Admin & Planning department can arrange special in-house training programs for its employees. Senior Staff, Training Personnel, Consultants are appointed for the training. In house training for the young labours is essential and it has to be conducted twice a week.
- **Local Training:** AKG can also provide need-based training to the employees through using various training institutes within the country appropriate for the required training. For the young labour, different types of local NGOs conduct training. AKG can arrange training for them with the local NGO's. They can also keep contract with the save the children, Care, BRAC, and UNICEF with a regular basis for the capacity development of the child labours.

- **Overseas Training:** The Company time to time arranges functional or managerial training / workshops / seminars etc. for selected employees to other foreign countries which is a good example for AKG.
- **Job Rotation:** Job Rotation within the company or its subsidiaries is also considered as an effective method of employee training and development which already exist with AKG.

3.9.3 Training Budget

Admin & Planning Department is responsible in acquiring training budget at the beginning of each financial year in accordance with training needs identified and the company's objectives for the forthcoming year. The training plan should reflect the company's objective for the forthcoming year and should be reviewed annually.

Training budgets for the existing child labours development have to be kept and it must reflect with the quarterly and yearly audit reports.

3.9.4 Evaluation

Admin & Planning Department will also evaluate trainings in terms of its effectiveness by taking feedback from the trainee and their General Managers. General Managers will be asked for feedback in terms of improvement or changes in the trainee's performance particularly in the areas in which they have received the training. A separate evaluation will be conducted for the child labours and will be mentioned with the yearly audit report.

3.10 Recommendation for the HR and Labour Policy of AKG and Standard Practices

- Prepare Human Resources and Labour policy for AKG which is already in process.
- Provide /ensure appointment letter on appointment which is already in process
- ID Card for the contractors and sub-contractors labours with picture/ designation/ blood group (in process)
- Service book to be kept by the employer to keep track on performance and expertise (in process)
- Medical/ accidental benefits (already have but need documentation)
- Death benefits (already have but need documentation)
- Awareness on code of conduct

Working hour

- 8-10 hour/day

- 48 hours per week with at least 1 holiday
- 13 hour break between each shift
- For more than 6 hour shift, 1 hour break for meal

Leave

- Sick /casual/ earned / annual leave (use best practices)

Young Labour (for the stand alone young workers policy)

- The company shall not engage or support the use of child labour. AKG do not have any child labour. But it must be mentioned in the labour policy of AKG
- Has to have a procedure to avoid hiring children/ young adolescents
- Have a defined company policy, which will be communicated to the children and their guardians
- Parents / adult family members of the child might be hired instead if any child is mistakenly hired. In that case that child must enjoy all educational facilities provided by AKG.
- The young adults may only work other than school hours maintaining work list and work hours (not more than 06 hrs.) including minimum one weekly holiday
- No young adults would be allowed to work between 7 pm-7 am.
- Provide age appropriate trainings to the young adults/ offer stipend/ back to school program

Gender considerations/Female labour

- Maternity leave 4-6 months
- Cannot work immediately till 8 weeks of child birth
- Ensure safety security at work place
- Complain box
- Separate sanitation facility
- Awareness on code of conduct
- No gender-segregated wage structure, prohibition of any form of discrimination against women,
- Prohibition of women working between 10:00 p.m. and 6:00 a.m. without consent,

- Prohibition for women handling running or dangerous machines (unless they are sufficiently trained to operate such machinery),
- Prohibition for women working under water or underground

Retirement

- Retirement age: 57 years
- Provision of Provident fund
- Payment of wages within 30days of retirement

Retrenchment: to give one month's notice and the equivalent 30-day wages or gratuity for every year of service if the worker is employed on continuous service for not less than one year;

Discharge: to give financial benefit equivalent to 30-day wages for every completed year of service by an employee found to have physical or mental incapacity.

Health and safety (Environment section) (in a better condition):

- Establishments are required to put up for every 150 workers one first aid box and one trained person per first aid box, and an equipped dispensary with a patient-room, doctor and nursing staff (already exist but documentation is necessary)
- Employers are required to take appropriate measures to protect workers from danger and damage due to fire (in a good shape but monitoring should increase)
- Every establishment is required to be kept clean and free from effluvia arising out of any drain, privy or other nuisance (better condition)
- The work room should not be overcrowded and injurious to the health of the workers
- Every establishment should provide pure drinking water, sufficient light and air, and separate toilets for its male and female workers.
- AKG already has full time doctors and nurses. Workers are satisfied with them. In serious cases, AKG transfer them to the hospitals.

Ensure fire safety:

- Evacuation drill + mark and highlight exits (done)
- Fire extinguisher in visible site (done)
- Training and awareness on health and safety (done)

- Ensure fitness of machineries (done)

Welfare and social protection:

- Gratuity is defined under the law as separation payment, at least 30 days, for workers discharged from work and yet have worked not less than 6 months
- Factories are required to have an in-house canteen for every 100 workers.
- Every establishment/employer is required to form a Provident Fund if three-fourths of its workers demand it by written application, and a Workers' Participation Fund and a Workers' Welfare Fund for its workers.
- Establishments with 200 or more workers should institute a group insurance.
- Every employer should provide compensation to its workers for work-related injury, disability and death.
- Various women's' issues are also covered: maternity leave of 16 weeks (8 weeks before and 8 weeks after child birth), no gender-segregated wage structure, prohibition of any form of discrimination against women, prohibition of women working between 10:00 p.m. and 6:00 a.m. without consent, prohibition for women handling running or dangerous machines (unless they are sufficiently trained to operate such machinery), prohibition for women working under water or underground.

Gaps Identified through Labour Audit:

Sl. No.	Corrective Actions Required	Approximate Budget (BDT)	Responsible Party and present situation	Present Status	Deliverable	Timeline
1	Prepare draft HR and labour policies and handbook.	Internal cost	AKG	Ongoing	Policy handbook	30 th April 2016
2	All the workers and staffs of AKG and contractors should be issued ID Card. Wearing ID Card should be made mandatory for all workers and staffs. Reference of identification number should be ensured in labour register, attendance/time sheet, salary/wage payment sheet and OT payment sheet. All the workers must receive contract letters	Internal cost	AKG and Contractor: Most of the ID cards already issued	Completed	ID Card and contract letters for workers and staffs. These will be mentioned in the HR and Labour Policy	15 th March 2016
	All the workers in the steel production facilities including power plant, steel production factories, canteen, and office workers (including full time, part time, temporary, daily basis etc. labours) must receive contract letters, payslips and ID cards. Facilities provided to them including wage rate and overtime must be mentioned in the contract Letter.	Internal cost of AKG and Contractors	AKG and Contractors.	Completed	Contract letters and ID cards to the labours. These must be mentioned in the HR and Labour Policy	15 th March 2016
3	Each labour should get one day off after maximum 6 days of continuous works. Maximum regular working hour should be 8 hours and daily overtime should not		AKG and Contractor	Completed	Will be mentioned in the draft HR and Labour Policy	30 th April 2016

Sl. No.	Corrective Actions Required	Approximate Budget (BDT)	Responsible Party and present situation	Present Status	Deliverable	Timeline
	exceed 2 hours. Including overtime, average working hour should not exceed 56 hours per week per labour.					
4	Payment of wages and OT should comply with minimum wage fixed by Bangladesh Minimum Wages Board and Bangladesh Labour Law.		AKG and Contractor: Already implementing	Receiving more than minimum wage	Will be mentioned in the draft HR and Labour Policy	Done by 31th Jan 2016
5	Labour union or CBA		Should be formed in a documented way.	Ongoing	Labour union or CBA	30 April, 2016
6	Regular internal monitoring should be ensured from both AKG and Contractor to ensure use of PPEs as well as necessary safety measures.	Internal cost	AKG/ Contractor	Ongoing	Improved monitoring.	On Going
7	One focal person will be designated for each factory for reporting and monitoring not employing child/adolescent labours under the age of 18 by AKG and the contractors. As well as monitoring labour rights, standards, ID cards, pay slips , working hours etc.	Internal Cost	AKG/ Contractor in the rank of manager	Ongoing	Improved monitoring	On going
8	No Young labour will be engaged in hazardous areas. Lists of existing young labours have to be submitted to consultant by 31th December and AKG will provide basic educational support and skill development		AKG/ Contractors No young labours is recruited in the last 3 months.	Preparatory work ongoing	Existing adolescent labour will receive basic education and	Schooling will be started by 1 June, 2016

Sl. No.	Corrective Actions Required	Approximate Budget (BDT)	Responsible Party and present situation	Present Status	Deliverable	Timeline
	training internally. They will be away from the hazardous work.				skill development training.	
9	Monitoring (external and internal)					
	a) All the above mentioned issues will be monitored by the external and internal monitor. Detailed duties of the internal and external monitors are explained in the ESMP report.	The external monitoring cost for labour component including	AKG/ Internal monitor		1) Quarterly report for 2016. 1 st quarterly report will be submitted at the end of May 2016 2) Half yearly reports for 2017/2018, and annual for 2019 and 2020.	
	b)Both external and internal monitor will monitor Back to school programme and effectiveness if this, Basic labour standards issues like receiving contract letters, overtime payments, young workers not working in the hazardous place etc. They will also make sure that HR and labour policy is prepared on time and proper implementation of this policy in the factory. External monitor will also suggest/advice AKG in getting the certification of SA8000 and OSHAS	monitoring the back to school programme, health and safety component and the environmental monitoring is maximum BDT 1.25 crore (125 lacs).				
	c) Health & Safety Audit	This cost is for five years period.				
	d) Environmental Monitoring					

4 Avoidance and Prohibition of Child Labour Policy

The fundamental truth about child labour in Bangladesh is that there is a huge number of children in the labour market (3.2 million¹). The employers utilize this fact as child labours are cheaper and obedient as they have fewer choices to be engaged at work. The monetary realities of many families imply their children to be engaged in economic activities and the families also rely on the income from their children. Therefore, child labour is a widely acceptable norm in Bangladesh, which is more prominent around the impoverished urban regions of the country. Children engaged at work are more likely to drop out from education. For this reason, they are more likely to remain unskilled or their skills remain limited in the activities they carry out at work. Following these consequences, the children that are engaged as child labours are less likely to develop properly and be able to break out of the poverty circle by themselves.

Realizing this fact, Bangladesh Government has undertaken ‘National Child Labour Elimination Policy’ in 2010. The government of Bangladesh has signed and ratified all other ILO conventions other than the minimum age convention (138). The key objectives of this policy is

- To withdraw children from hazardous work and all other worst forms of child labour,
- Involving parents in income generating activities,
- Offering stipend and grants to bring working children back to school, etc.

As of normal practices in Bangladesh and considering the socio-economic situation of the local people and request from the parents, they have given job opportunity to the child labours. But AKG is preparing a policy where no child labour is allowed as they are going to expand their business internationally and compliance with the national laws. A total of 64 young labours are working with AKG, who are currently working in the organization under various departments. After repeated visits by the survey team and the consultant, the adolescent working in hazardous sections of AK steel have been moved to administrative assistant posts under other departments but none have been dismissed from job. All the young workers remained in the jobs and they will be provided educational and career development support by AKG. It is definite that the socio-economic conditions of these young labours are no exception from the national scenario. Their financial contributions are much required to their families for survival. Therefore, this chapter will focus on prohibition of engaging all forms of child labour at the organization, keeping the best practice measures in mind under national and international labour policies.

¹ International Labour Organization (ILO), Baseline Survey on Child Domestic Labour in Bangladesh, 2006

4.1 List of Existing Young Workers

According to the field investigation and list from AKG, 64 adolescent labours were found, all within the age limit 15-18. AKG has collected the birth certificates/ national ID cards from the employees and according to the date of Birth they have prepared this list. Key Strategies

AKG group has to adopt a defined stand-alone company policy that will clearly state that the organization prohibits hiring and engaging all forms of child labour. AKG can use this report as base policy which might be amended as necessary not violating the benchmarks. It has to state clearly that the National Child Labour Elimination Policy 2010 is accepted and adopted by top management in company policy. According to the national policy, the organization has to have a procedure to avoid hiring children/ young adolescents and shall not engage or support the use of child labour. According to this new strategy, no new child labours under the age of 18 and none between the ages of 15-18 in “hazardous work” as it has been defined, can be hired or engaged at work by AKG group and will not support any partner or contractors to engage child or young adolescents at work. This will be under strict regulation by the administration of the same organization. Workers between the age of 15-18 in none hazardous work are to have access to schooling /vocational training, as appropriate, in line with Bangladesh law and international standards.

The existing young / adolescent workers cannot be terminated. Appropriate social safety net programs must be assured for them. As an inception, the parents or keen members of the family, who are suitable for the task, may be offered to be hired instead of the child with fair remuneration.

No children under the age of 14 can work in any section of the organization. Also, it has to be ensured that children / adolescents under the age of 18 are not engaged in any form of hazardous work or worst forms of child labour or any work that will cause physical or psychological deprivation to them. No children / adolescents under the age of 18 would be allowed to work between 7 pm – 7 am.

The remaining young adolescent workers within the age limit of 15-18 years of age have to be shifted to non-hazardous work immediately. This group might keep working provided that they will only work not exceeding 5 hours per day including meal time after school hours. The company has to arrange stipend or other suitable arrangements to encourage the children, who would like to join conventional education. The remaining and interested candidates have to be provided with age appropriate trainings to the young adults that will support capacity building and enhance technical skills of the workers and develop their ability to perform not only in the organization, but also in general.

4.2 Young Labour Engagement Policy for AKG

AKG will not recruit any child labour ; the existing young/adolescent workers will be supported by the education scheme-back to school program and will be supported by the child labour policy of not to engage them in hazardous work. The following basic policy will be maintained as agreed by AKG.

- The company shall not engage or support the use of child labour and it will be mentioned in the HR policy of AKG and also in the Child and Young labours policy;
- Has to have a procedure to avoid hiring children. But by mistake if any child labour is recruited, AKG will take full responsibility for the education and career development;
- Have a defined company policy, which will be communicated to the existing young labour and their guardians;
- Parents / adult family members of the young might be hired instead;
- The young adults may only work other than school hours maintaining work list and work hours (not more than 05 hrs.) including minimum one weekly holiday;
- No young adults would be allowed to work between 7 pm-7 am; and
- Provide age appropriate trainings to the young adults/ offer stipend/ back to school program.

4.3 Regulatory Framework

The progress of young labours career development and educational system of the AKG group must be monitored by a third party (researcher/educational institute / consultants/NGOs/consulting firm) in addition to government and internal regulation. The third party evaluation should be conducted quarterly for the first year and then bi annually for the next two years, and annually the 2 following years. The External monitor will review all the reports of internal monitor and he/she will find out any existing gaps that may need more concentration.

The labour engagement/child and young labour prohibition policy has to be shared with the contractors/ partners of AKG group and followed in partnership projects of the organizations. The same has to be shared and described to the parents and guardians of the adolescent workers.

The cash support/stipend for back to school program will be conditional on the fact those young must not be married before age 18 and must attend school on a regular basis. The cash support means the time young workers will be in the school for the primary education or in the career development training, their time for training or schooling will be counted as working hours and will be paid for this. This support will be benefited for the young workers and it will inspire them to take the education. Also their family will be happy as well thinking that their children are not going to school only but also

working. Successful implementation of this can be a good example for the other factories like AKG in Bangladesh. When hiring any worker, Human Resources Department of AKG and the contractors must verify the age of the applicant in the following ways:

- The application will ask the applicant's age and require the signatures of both the applicant and the Human Resources Department staff person/contractor verifying the information.
- The applicant will be required to submit an original of one of the following documents to verify the age: (1) national identification card, (2) birth certificate. If there is any doubt of the validity of the above, the applicant will be required to submit additional records to verify age, such as medical or school records.
- A photocopy of the original identification document will be kept in the applicant's file. If the applicant is hired, this will be transferred to his or her personnel file. Whether or not the applicant is hired, the application will be kept on file for a minimum of 2 years.

In the event that AKG or the contractors inadvertently hires a child under national age minimum, it will adhere to the following remediation procedure:

- The child will be immediately removed from employment.
- AKG will provide education and career development training to the child with an equivalent salary to attend school until they reach the national minimum age for employment.
- In addition, AKG will specifically seek to offer the child's parents/relatives employment at AKG.

In addition to that AKG will also provide training to middle-level management and supervisors, about our Child Labour policy, how to avoid hiring underage workers and how to enable a healthy and safe working environment for legally employed young workers.

4.4 Young Worker Rehabilitation Policy Framework

Targeted group/Activities	Steps to be taken	Remarks/Budget	Implementing Body	Timeline/present status
Deployment of Child Labour				
Prohibit Recruiting Child labour	-ID card and Birth certificate will be verified during employment -Zero tolerance about the employment of child labour -If possible parents might be hired	Sub-contractor and contractors will follow the same framework and AKG will monitor on a regular basis. Approximate cost: BDT 1 lac	AKG, contractor and sub-contractor	A separate child labour policy will be prepared.
Internal Monitor	-One dedicated manager will be selected for the social welfare of the child labour	Sub-contractor will report him weekly about the new employed staff Estimated cost BDT 10 lac per year	AKG	February 2016/ one internal monitor for each company is already appointed.
Existing Young Labour				
List of young labours Group wise:	A list of existing young labour have to be prepared mentioning name, fathers name, mothers name, date of	Sub-contractors and AKG has worked together to prepare this list	AKG/sub-contractors	A list is already prepared

Targeted group/Activities	Steps to be taken	Remarks/Budget	Implementing Body	Timeline/present status
	birth, permanent address, length of work with AKG, present working department, available skills and future plan etc.			
Work Contract	Appointment Letter with clear job role and wage level to be handed over during employment	Abul Khair group will ensure implementation including the subcontractors	AKG/sub-contractors	15th March 2016/ All the workers of AKG has received contract letters
Swapping children with parents/Guardian instead as labours	In case there are children under the age of 15 in Abul Khair or the contractor/Sub-contractors, their parents/keen members might be offered suitable job roles with full remuneration according to national	Abul Khair group will ensure implementation including the subcontractors	AKG/sub-contractors	Meeting session with the parents by end of March 2016

Targeted group/Activities	Steps to be taken	Remarks/Budget	Implementing Body	Timeline/present status
	standard for adult workers.			
Basic education for the young labours Rehabilitation programme for age group 14-15 if any	-Basic education -skill development by the training and development units of AKG	-1 st year education 2 hours/day maximum -2 nd , 3 rd and 4 th year 3 hours/day education maximum -skill training for 2 hours/day maximum -work 3 hours/day maximum Estimated cost BDT 2 lac per year	AKG/sub-contractors and NGO	From 1 June, 2016
Age appropriate training programme for age group 16-18	Technical training, workshops, skills development for adolescent workers with support from UCEP, BRAC or other recognized organizations	Abul Khair group: to ensure on behalf of the subcontractor Estimated cost BDT 8 Lac /year	Training and development department of AKG/sub-contractors	From 1 June, 2016
Full time Job Opportunity after completion of the basic education and training	With full time wages according to national	Abul Khair group may offer based on vacancy and performance of the labour	AKG	As required

Targeted group/Activities	Steps to be taken	Remarks/Budget	Implementing Body	Timeline/present status
	standard to be offered			
Employment of third party monitoring agency to monitor Abul Khair and the sub-contractors	Quarterly monitoring for the year of 2016, Bi-annually monitoring for the year of 2017, 2018, Yearly monitoring for the year of 2019 and 2020.	Approximately 1.25 crore Bangladeshi Taka for external monitor for 5 years for monitoring labour, health and safety and environment.	AKG	Quarterly for the 1 st year and 1 st report will be submitted by end of April 2016. 2 nd report by July 2016, 3 rd report October 2016 and year ending report by December 2016. For the year 2017 and 2018, report will be submitted in June and December. For year 2019 and 2020, report will be submitted end of the year.

5 OHSAS 18001: Management Systems Gap Analysis

The OHSAS 18001 is an occupational health and safety management standard that defines a set of management system requirements that an organization needs to abide to in order to comply with it. The purpose of OHSAS 18001 is to help organizations to manage and control their occupational health and safety risks while simultaneously improving their occupational health and safety performance. This is usually undertaken by developing an Occupational Health and Safety Management system (OHSMS) that complies with the standard.

An OHSMS is a network of interrelated elements that are used to establish OH&S policies, plans, programs, and objectives. These elements include responsibilities, authorities, relationships, functions, activities, processes, practices, procedures, and resources. Abul Khair Steel & Power Ltd. acknowledges the need for moving towards an industry standard benchmarking for Health & Safety matters. For this reason, according to the Safety Road Map prepared by Mr. Abdur Rahman (Manager, Safety), AKSPL is moving towards OHSAS 18001:2007 or an equivalent/ updated standard between the three year period of 2018 to 2020.

The Occupational Health & Safety Management System OHSAS 18001 audit scope for this study is for three business units of Abul Khair Group, namely:

- Abul Khair Steel and Power
- Abul Khair Limited
- Abul Khair Steel Limited.

The assessment purpose is to identify the existing gaps in the health and safety management practices of the aforementioned business units, in order to understand what needs to be done to achieve the level of excellence upon which the OHSAS 18001 certification can be bestowed. It is an international occupational health and safety management system specification. These standards practices help minimize risk to employees, improve existing OH&S management systems, demonstrate diligence, gain assurance etc. This Gap Analysis Study includes those hazards and risks which can be controlled or over which the business unit is to have an influence.

It is identified that the scope of the OHS Management System is not formally documented or defined in the OHS Management System Documentation of the company. It is of utmost priority that this document be developed in order to dive deeply into specific contextualization of the audit that may lead to the certification for the AKG business units.

5.1 General Requirements – Scope of Certification

1 OHSAS Requirement	The organization shall establish, document, implement, maintain and continually improve an OH&S management system in accordance with the requirements of this OHSAS Standard and determine how it will fulfil these requirements.
Status	The OH&S Management System (OHSMS) Document is yet to be developed.
Recommendation	Establish, document, implement, maintain and continually improve an OH&S management system in accordance with the requirements of this OHSAS Standard and determine how it will fulfil these requirements.
2 OHSAS Requirement	The organization shall define and document the scope of its OH&S management system.
Status	The OH&S Management System (OHSMS) Document is yet to be developed.
Recommendation	Define and document the scope of their OH&S management system, as recommended above.

5.2 Organizational Health & Safety Policy

3 OHSAS Requirement	A top management mandated complete OH&S Policy is a requirement in the OHSAS 18001 certification.
Status	No completed OH&S Policy is found during the audit. It is noted that there are documented evidence of an ongoing plan on establishing safety policies with AK. The safety organization implementation plan is set for Q1, 2016.
Recommendation	<p>Top management shall define and authorize the organization's OH&S policy and ensure that within the defined scope of its OH&S management system it:</p> <ul style="list-style-type: none"> • Is appropriate to the nature and scale of the organization's OH&S risks;

- Includes a commitment to prevention of injury and ill health and continual improvement in OH&S management and OH&S performance;
- Includes a commitment to at least comply with applicable legal requirements and with other requirements to which the organization subscribes that relate to its OH&S hazards;
- Provides the framework for setting and reviewing OH&S objectives;
- Is documented, implemented and maintained;
- Is communicated to all persons working under the control of the organization with the intent that they are made aware of their individual OH&S obligations; is available to interested parties; and
- Is reviewed periodically to ensure that it remains relevant and appropriate to the organization.

5.3 Planning

5.3.1 Hazard Identification, Risk Assessment and Determining Controls

4 OHSAS Requirement	The organization shall establish, implement and maintain a procedure(s) for the ongoing hazard identification, risk assessment, and determination of necessary controls.
Status	Hazard identification and assessment of risk is established, implemented and maintained in an infrequent basis but no documented procedure is present.
Recommendation	Establish, implement and maintain a procedure(s) for the ongoing hazard identification, risk assessment, and determination of necessary controls.
5 OHSAS Requirement	Procedure for Hazard Identification and Risk Assessment.
Status	The procedures for HIRA are not found during the Audit.
Recommendation	Develop a procedure for HIRA. The procedure(s) for hazard identification and risk assessment shall take into account:

- Routine and non-routine activities;
- Activities of all persons having access to the workplace (including contractors and visitors);
- Human behaviour, capabilities and other human factors;
- Identified hazards originating outside the workplace capable of adversely affecting the health and safety of persons under the control of the organization within the workplace;
- Hazards created in the vicinity of the workplace by work-related activities under the control of the organization;
- Infrastructure, equipment and materials at the workplace, whether provided by the organization or others;
- Changes or proposed changes in the organization, its activities, or materials;
- Modifications to the OH&S management system, including temporary changes, and their impacts on operations, processes, and activities;
- Any applicable legal obligations relating to risk assessment and implementation of necessary controls; and
- The design of work areas, processes, installations, machinery/equipment, operating procedures and work organization, including their adaptation to human capabilities.

6 OHSAS Requirement

A set and defined methodology for hazard identification and risk assessment.

Status

The HIRA Methodologies are not found as the documentation and procedures for HIRA are not developed yet.

Recommendation

The organization's methodology for hazard identification and risk assessment shall:

- Be defined with respect to its scope, nature and timing to ensure it is proactive rather than reactive;
- Provide for the identification, prioritization and documentation of risks, and the application of controls, as appropriate.

7 OHSAS Requirement	Up-to-date HIRA records and determined controls.
Status	Not procedurally maintained.
Recommendation	The organization shall document and keep the results of identification of hazards, risk assessments and determined controls up-to-date.
8 OHSAS Requirement	OH&S Management System.
Status	As the Safety Plan is to be implemented, no active OHSMS policy observed. However, a Safety Manager has been appointed who is working for the implementation of the plan. According to the safety implementation plan in AK, a Safety Manager will lead a team of Safety Officers, Safety Volunteers who will act as safety promoters across the organization.
Recommendation	The organization shall ensure that the OH&S risks and determined controls are taken into account when establishing, implementing and maintaining its OH&S management system.

5.3.2 Legal and Other Requirements

9 OHSAS Requirement	Determine applicable legal and other OH&S requirement.
Status	Legal and statutory documents are present but no documented procedure is present to address it.
Recommendation	<p>The organization shall establish, implement and maintain a procedure(s) for identifying and accessing the legal and other OH&S requirements that are applicable to it.</p> <ul style="list-style-type: none"> • The organization shall ensure that these applicable legal requirements and other requirements to which the organization subscribes are taken into account in establishing, implementing and maintaining its OH&S management system. • The organization shall communicate relevant information on legal and other requirements to persons working under the control of the organization, and other relevant interested parties.

5.3.3 Objectives and Programme(s)

10 OHSAS Requirement	Documented OH&S objectives.
Status	Not done.
Recommendation	<p>Establish, implement and maintain documented OH&S objectives, at relevant functions and levels within the organization.</p> <p>The objectives shall be measurable, where practicable, and consistent with the OH&S policy, including the commitments to the prevention of injury and ill health, to compliance with applicable legal requirements and with other requirements to which the organization subscribes, and to continual improvement.</p> <p>When establishing and reviewing its objectives, the organization shall take into account the legal requirements and other requirements to which the organization subscribes, and its OH&S risks. It shall also consider its technological options, its financial, operational and business requirements, and the views of relevant interested parties.</p>
11 OHSAS Requirement	Documented OH&S programme(s).
Status	OH&S implementation plan has been identified. The documentation contains information on Safety Road Map.
Recommendation	<p>A detailed implementation plan/ work plan for implementation will each the implementation process substantially. Establish, implement and maintain a programme(s) for achieving its objectives. Programme(s) shall include as a minimum:</p> <ul style="list-style-type: none"> • Designation of responsibility and authority for achieving objectives at relevant functions and levels of the organization • The means and time-frame by which the objectives are to be achieved <p>The programme(s) shall be reviewed at regular and planned intervals, and adjusted as necessary, to ensure that the objectives are achieved.</p>

5.4 Implementation and Operation

5.4.1 Resources, Roles, Responsibility, Accountability and Authority

12 OHSAS Requirement	Commitment of the Top Management in implementation of the quality standards.
Status	Presentation on safety road map and employment of a Safety Manager demonstrates willingness of the management in implementation of the quality standards. The vision stated in the document is to become the benchmark safety example in the industry by the year 2020.
Recommendation	<p>It is of high importance to ensure that the vision is followed through in the implementation plan discussed above. Top management shall take ultimate responsibility for OH&S and the OH&S management system.</p> <p>Top management shall demonstrate its commitment by:</p> <ul style="list-style-type: none"> • Ensuring the availability of resources essential to establish, implement, maintain and improve the OH&S management system; • Defining roles, allocating responsibilities and accountabilities, and delegating authorities, to facilitate effective OH&S management; roles, responsibilities, accountabilities, and authorities shall be documented and communicated.
13 OHSAS Requirement	Appoint member(s) of top management with specific responsibility of OH&S.
Status	A safety committee consisting of Safety Manager and other departmental heads is present. The Safety Manager was present during the field audit.
Recommendation	The organization shall have member(s) of top management (the Safety Manager is a good example) with specific responsibility for OH&S, irrespective of other responsibilities, and with defined roles and authority for:

- Ensuring that the OH&S management system is established, implemented and maintained in accordance with this OHSAS Standard; and
- Ensuring that reports on the performance of the OH&S management system are presented to top management for review and used as a basis for improvement of the OH&S management system.

The identity of the top management appointee (e.g., the Safety Manager, or the Department Heads empowered with the responsibility) shall be made available to all persons working under the control of the organization. All those with management responsibility shall demonstrate their commitment to the continual improvement of OH&S performance. The organization shall ensure that persons in the workplace take responsibility for aspects of OH&S over which they have control, including adherence to the organization's applicable OH&S requirements.

5.4.2 Competence Training and Awareness

14 OHSAS Requirement Competent employees.

Status

AKG has safety team directed by the Safety Manager. The team is segregated into micro-teams that have separated job description. They are trained in a regular basis by the Safety Manager. They are provided with separate uniforms for easy identification. There is also monitoring team who roam around the factories to identify and take care of relevant issues.

During the audit, it was observed that the education, training and other experience related information/records of the employees are not retained. Thus objective evidence to support the standard requirement is not present.

Recommendation

The organization shall ensure that any person(s) under its control performing tasks that can impact on OH&S is (are) competent on the basis of appropriate education, training or experience, and **shall retain associated records.**

15 OHSAS Requirement	Trained employees.
Status	Regular training is provided to Safety & Security team by Safety Manager & Security Manager. At an irregular interval, every department is brought under such training scheme.
Recommendation	The organization shall identify training needs associated with its OH&S risks and its OH&S management system. It shall provide training or take other action to meet these needs, evaluate the effectiveness of the training or action taken, and retain associated records .
16 OHSAS Requirement	Employee awareness.
Status	Awareness is assured on the part of the management. There are signboards around the plant areas on emergency contacts, PPE etc. However, employee awareness through programmes is not evidenced during the audit.
Recommendation	<p>As a part of the standard, it is important to identify that the employees have full awareness of the safety protocol(s). It is therefore advisable to establish, implement and maintain a procedure(s) to make persons working under its control aware of:</p> <ul style="list-style-type: none"> • The OH&S consequences, actual or potential, of their work activities, their behaviour, and the OH&S benefits of improved personal performance; • Their roles and responsibilities and importance in achieving conformity to the OH&S policy and procedures and to the requirements of the OH&S management system, including emergency preparedness and response requirements; • The potential consequences of departure from specified procedures.
17 OHSAS Requirement	Training procedures.
Status	The current training procedures may not comply completely in accordance with the requirements of the standard.

Recommendation	Training procedures shall take into account differing levels of: <ul style="list-style-type: none"> • Responsibility • Ability • Language skills • Literacy; and • Risk.
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5.4.3 Communication, Participation and Consultation

5.4.3.1 Communication

18 OHSAS Requirement	Communication procedure(s).
Status	Safety meetings are held, signboards and notifications are established, and trainings are provided. No documented communication procedures exist.
Recommendation	While practices of communication exist, it is required in the standard that the procedures must also be documented for reference and regular monitoring. With regard to its OH&S hazards and OH&S management system, the organization shall establish, implement and maintain a procedure(s) for: <ul style="list-style-type: none"> • Internal communication among the various levels and functions of the organization; • Communication with contractors and other visitors to the workplace; and • Receiving, documenting and responding to relevant communications from external interested parties.

5.4.3.2 Participation and Consultation

19 OHSAS Requirement	Worker participation procedure(s).
Status	No documented procedures exist to address worker participation.
Recommendation	The organization shall establish, implement and maintain a procedure(s) for the participation of workers by their:

- Appropriate involvement in hazard identification, risk assessments and determination of controls;
- Appropriate involvement in incident investigation;
- Involvement in the development and review of OH&S policies and objectives;
- Consultation where there are any changes that affect their OH&S;
- Representation on OH&S matters.

Workers shall be informed about their participation arrangements, including who is their representative(s) on OH&S matters.

20 OHSAS Requirement

Consultation procedure(s).

Status

No documented consultation procedures exist.

Recommendation

Establish, implement and maintain a procedure(s) for consultation with contractors where there are changes that affect their OH&S. The organization shall ensure that, when appropriate, relevant external interested parties are consulted about pertinent OH&S matters.

5.4.4 Documentation

21 OHSAS Requirement

Proper Documentation of OH&S matters.

Status

There are documents on OH&S Plan, Vision, emergency contacts, use and availability of PPE etc. However, a consolidated plan as mentioned in previous sections is missing.

Recommendation

The OH&S management system documentation shall include:

- The OH&S policy and objectives;
- Description of the scope of the OH&S management system;
- Description of the main elements of the OH&S management system and their interaction, and reference to related documents;
- Documents, including records, required by this OHSAS Standard; and

- Documents, including records, determined by the organization to be necessary to ensure the effective planning, operation and control of processes that relate to the management of its OH&S risks.

It is important that documentation is proportional to the level of complexity, hazards and risks concerned and is kept to the minimum required for effectiveness and efficiency.

5.4.5 Control of Documents

22 OHSAS Requirement	Document control procedure(s).
Status	As mentioned above, no documented procures for control of documents exist.
Recommendation	<p>The organization shall establish, implement and maintain a procedure(s) to:</p> <ul style="list-style-type: none"> • Approve documents for adequacy prior to issue; • Review and update as necessary and re-approve documents; • Ensure that changes and the current revision status of documents are identified; • Ensure that relevant versions of applicable documents are available at points of use; • Ensure that documents remain legible and readily identifiable; • Ensure that documents of external origin determined by the organization to be necessary for the planning and operation of the OH&S management system are identified and their distribution controlled; and • Prevent the unintended use of obsolete documents and apply suitable identification to them if they are retained for any purpose.

5.4.6 Operational Control

23 OHSAS Requirement	Operational control.
Status	Safety department is currently working on determining, implementing and maintaining operational controls.

Recommendation

The organization shall determine those operations and activities that are associated with the identified hazard(s) where the implementation of controls is necessary to manage the OH&S risk(s). For those operations and activities, the organization shall implement and maintain:

- Operational controls, as applicable to the organization and its activities; the organization shall integrate those operational controls into its overall OH&S management system;
- Controls related to purchased goods, equipment and services;
- Controls related to contractors and other visitors to the workplace;
- Documented procedures, to cover situations where their absence could lead to deviations from the OH&S policy and the objectives; and
- Stipulated operating criteria where their absence could lead to deviations from the OH&S policy and objectives.

5.4.7 Emergency Preparedness and Response

24 OHSAS Requirement

Emergency preparedness and response.

Status

Emergency preparedness response is planned and budgeted.

Recommendation

The organization shall establish, implement and maintain procedure(s):

- To identify the potential for emergency situations;
- To respond to such emergency situations.

The organization shall respond to actual emergency situations and prevent or mitigate associated adverse OH&S consequences. In planning its emergency response the organization shall take account of the needs of relevant interested parties, e.g. emergency services and neighbours. The organization shall also periodically test its procedure(s) to respond to emergency situations, where practicable, involving relevant interested parties as appropriate. The organization shall periodically review and, where necessary, revise its emergency

preparedness and response procedure(s), in particular, after periodical testing and after the occurrence of emergency situations.

5.5 Checking

5.5.1 Performance Measurement and Monitoring

25 OHSAS Requirement	Procedure(s) to monitor and measure OH&S performance.
Status	No documented procedures exist for monitoring and measuring the OH&S performance.
Recommendation	<p>The organization shall establish, implement and maintain a procedure(s) to monitor and measure OH&S performance on a regular basis. This procedure(s) shall provide for:</p> <ul style="list-style-type: none"> • Both qualitative and quantitative measures, appropriate to the needs of the organization; • Monitoring of the extent to which the organization's OH&S objectives are met; • Monitoring the effectiveness of controls (for health as well as for safety); • Proactive measures of performance that monitor conformance with the OH&S programme(s), controls and operational criteria; • Reactive measures of performance that monitor ill health, incidents (including accidents, near-misses, etc.), and other historical evidence of deficient OH&S performance; • Recording of data and results of monitoring and measurement sufficient to facilitate subsequent corrective action and preventive action analysis <p>If equipment is required to monitor or measure performance, the organization shall establish and maintain procedures for the calibration and maintenance of such equipment, as appropriate. Records of calibration and maintenance activities and results shall be retained.</p>

5.5.2 Evaluation of Compliance

26 OHSAS Requirement	Procedures for periodical evaluation of compliance.
Status	Compliance is evaluated from time to time. Internal audits are planned to be held through internal monitors, and external auditors will coagulate in the process. However, no procedures exist for the periodical evaluation of compliance.
Recommendation	Consistent with its commitment to compliance, the organization shall establish, implement and maintain a procedure(s) for periodically evaluating compliance with applicable legal requirements. The organization shall keep records of the results of the periodic evaluations. The frequency of periodic evaluation may vary for differing legal requirements.
27 OHSAS Requirement	Evaluation of compliance to other requirements subscribed by the organization
Status	Not done.
Recommendation	The organization shall evaluate compliance with other requirements to which it subscribes. The organization may wish to combine this evaluation with the evaluation of legal compliance or to establish a separate procedure(s). The organization shall keep records of the results of the periodic evaluations. The frequency of periodic evaluation may vary for differing other requirements to which the organization subscribes.

5.5.3 Incident Investigation, Nonconformity, Corrective Action and Preventive Action

28 OHSAS Requirement	Incident investigation procedures.
Status	No documented procedures exist for incident investigations.
Recommendation	<p>The organization shall establish, implement and maintain a procedure(s) to record, investigate and analyse incidents in order to:</p> <ul style="list-style-type: none"> • Determine underlying OH&S deficiencies and other factors that might be causing or contributing to the occurrence of incidents; • Identify the need for corrective action;

- Identify opportunities for preventive action;
- Identify opportunities for continual improvement; and
- Communicate the results of such investigations

The investigations shall be performed in a timely manner. The results of incident investigations shall be documented and maintained.

29 OHSAS Requirement

Nonconformity, corrective action and preventive action procedures.

Status

No procedures exist for dealing with nonconformity, corrective action and preventive actions.

Recommendation

The organization shall establish, implement and maintain a procedure(s) for dealing with actual and potential nonconformity(ies) and for taking corrective action and preventive action. The procedure(s) shall define requirements for:

- Identifying and correcting nonconformity(ies) and taking action(s) to mitigate their OH&S consequences;
- Investigating nonconformity(ies), determining their cause(s) and taking actions in order to avoid their recurrence;
- Evaluating the need for action(s) to prevent nonconformity(ies) and implementing appropriate actions designed to avoid their occurrence;
- Recording and communicating the results of corrective action(s) and preventive action(s) taken; and
- Reviewing the effectiveness of corrective action(s) and preventive action(s) taken.

Where the corrective action and preventive action identifies new or changed hazards or the need for new or changed controls, the procedure shall require that the proposed actions shall be taken through a risk assessment prior to implementation. Any corrective action or preventive action taken to eliminate the causes of actual and potential nonconformity(ies) shall be appropriate to the magnitude of problems and commensurate with the OH&S risk(s) encountered. The organization shall ensure that any necessary changes arising from

corrective action and preventive action are made to the OH&S management system documentation.

5.5.4 Control of Records

30 OHSAS Requirement

Controlling records.

Status

No procedures exist to address the control of records.

Recommendation

The organization shall establish and maintain records as necessary to demonstrate conformity to the requirements of its OH&S management system and of this OHSAS Standard, and the results achieved. The organization shall establish, implement and maintain a procedure(s) for the identification, storage, protection, retrieval, retention and disposal of records. Records shall be and remain legible, identifiable and traceable.

5.5.5 Internal Audit

31 OHSAS Requirement

Internal Audits.

Status

As mentioned above, both internal monitors will undertake periodic internal audits. However, standardized internal audit practices are not being conducted as of now on the level of the requirements in the standard.

Recommendation

The organization shall ensure that internal audits of the OH&S Management system are conducted at planned intervals to:

- Determine whether the OH&S management system:
 - Conforms to planned arrangements for OH&S management, including the requirements of this OHSAS Standard; and
 - Has been properly implemented and is maintained; and
 - Is effective in meeting the organization's policy and objectives;
- Provide information on the results of audits to management.

Audit programme(s) shall be planned, established, implemented and maintained by the organization, based on the results of risk assessments of the organization's activities, and the results of previous audits.

32 OHSAS Requirement

Internal Audit procedure(s).

Status

As already mentioned, no documented procedures exist for conducting internal audits.

Recommendation

Audit procedure(s) shall be established, implemented and maintained that address:

- The responsibilities, competencies, and requirements for planning and conducting audits, reporting results and retaining associated records; and
- The determination of audit criteria, scope, frequency and methods

Selection of auditors and conduct of audits shall ensure objectivity and the impartiality of the audit process.

5.6 Management Review

33 OHSAS Requirement

Management review meetings.

Status

There has been meetings and presentations on Safety Plan and Procedure establishment.

Recommendation

Top management shall review the organization's OH&S management system, at planned intervals, to ensure its continuing suitability, adequacy and effectiveness. Reviews shall include assessing opportunities for improvement and the need for changes to the OH&S management system, including the OH&S policy and OH&S objectives. Records of the management reviews shall be retained.

34 OHSAS Requirement

Management review inputs.

Status

Upon undertaking of such review meetings mentioned in point 33, management inputs can be identified.

Recommendation

Input to management reviews shall include:

- Results of internal audits and evaluations of compliance with applicable legal requirements and with other requirements to which the organization subscribes;
- The results of participation and consultation;
- Relevant communication(s) from external interested parties, including complaints;
- The OH&S performance of the organization;
- The extent to which objectives have been met;
- Status of incident investigations, corrective actions and preventive actions;
- Follow-up actions from previous management reviews;
- Changing circumstances, including developments in legal and other requirements related to OH&S; and
- Recommendations for improvement.

35 OHSAS Requirement

Management review outputs.

Status

Not applicable since management review meetings are to take place.

Recommendation

The outputs from management reviews shall be consistent with the organization's commitment to continual improvement and shall include any decisions and actions related to possible changes to:

- OH&S performance;
- OH&S policy and objectives;
- Resources; and
- Other elements of the OH&S management system.

Relevant outputs from management review shall be made available for communication and consultation.

6 SA 8000: Gap Analysis

The SA 8000 is a standard developed in 1997 by the Social Accountability International (SAI). It encourages organizations to develop, maintain, and apply socially acceptable practices in the workplace. The SA 8000 is modelled on ISO standards.

It is one of the world's first auditable social certification standards for decent workplaces, across all industrial sectors. It is based on the UN Declaration of Human Rights, conventions of the ILO, UN and national law, and spans industry and corporate codes to create a common language to measure social performance. It takes a management systems approach by setting out the structures and procedures that companies must adopt in order to ensure that compliance with the standard is continuously reviewed.

The SA 8000 standard measures the performance of companies in eight areas important to social accountability in the workplace: child labour, forced labour, health and safety, free association and collective bargaining, discrimination, disciplinary practices, working hours and compensation. Similar to the OHSAS 18001 commitment, AKSPL has acknowledged their commitment to move forward with the SA 8000 certification and become a best practice organization by the year 2020.

The SA 8000 Standards audit scope for this study is also for three business units of Abul Khair Group as identified before in section 3, namely:

- Abul Khair Steel and Power
- Abul Khair Limited
- Abul Khair Steel Limited.

The purpose of this assessment is to identify any gaps existing in the social accountabilities at the workplaces of Abul Khair Group business units identified above, and to find out how to mitigate them in the best way possible to obtain SA 8000 certification.

SA 8000 is one of the world's premier social certification standards for decent work environments. This applies to a variety of sectors and industries, and conforms to most international human rights and labour laws including documents mandated by United Nations, International Labour Organization and many others. This certification identifies that the company protects basic human rights of its employees.

A detailed Certification process is discussed in the Social Management Framework sections of ESMF report. AKG has agreed to process with SA8000 certification. A complete guideline is suggested in ESMF.

6.1 Audit Summary

The scope defined by the organization has been validated during the course of audit and found relevant to the activities carried out by the organization. Efforts have been seen in sustaining the established system. The improvement of the SA management system in order to enhance overall performance verified through the elements stated by the standard, Policy Commitment, System Conformance and through Internal Audit & Management Review.

6.2 On the Child Labour Issues

Except as provided for by ILO Recommendation 146, any work performed by a child younger than the age(s) specified in the definition of a child. The criteria of Child Labour Compliance are as follows:

1. The organization *shall not* engage in or support the use of child labour as defined above.
2. The organization *shall* establish, document, maintain and effectively communicate to personnel and other interested parties, written policies and procedures for remediation of child labourers, and shall provide adequate financial and other support to enable such children to attend and remain in school until no longer a child as defined above.
3. The organization *may* employ young workers, but where such young workers are subject to compulsory education laws, they shall work only outside of school hours. Under no circumstances shall any young worker's school, work and transportation time exceed a combined total of 10 hours per day, and in no case shall young workers work more than 8 hours a day. Young workers may not work during night hours.
4. The organization *shall not* expose children or young workers to any situations – in or outside of the workplace – that are hazardous or unsafe to their physical and mental health and development.

Young workers existence has been observed in the dining areas, as office assistants and as contractors' workers. No Child Labour/ Young Workers' policy has been found during the audit, as well as no child labour remediation procedure in existence. There is also no age verification procedure currently in place to detect the age and take age-appropriate measures for would-be employees.

It should be noted that Abul Khair has stopped hiring new young labour from the last 3 months. Notice of not hiring any young workers has been sent to the contractors as well. AKG has shown commitment towards becoming compliant in this regard, and is undertaking plans and discussions for a young workers' rehabilitation programme. A possible Back to School plan is available as a section in this report.

The team recommends that the Management should immediately take remediation plan in cohort with Bangladesh Labour Law, prepare a child labour/ young worker policy and a child labour/ young worker remediation procedure. In addition, age of workers needs to be verified during employment using birth certificate or other means or certificates as appropriate.

6.3 On the Compulsory Labour Issues

All work or service that a person has not offered to do voluntarily and is made to do under the threat of punishment or retaliation or that is demanded as a means of repayment of debt are considered a part of compulsory labour issues. The following criteria demonstrates the SA 8000 requirements for compliance of compulsory labour practices:

1. The organization *shall not* engage in or support the use of forced or compulsory labour, including prison labour, as defined in Convention 29, *shall not* retain original identification papers and *shall not* require personnel to pay ‘deposits’ to the organization upon commencing employment.
2. Neither the organization nor any entity supplying labour to the organization *shall* withhold any part of any personnel’s salary, benefits, property or documents in order to force such personnel to continue working for the organization.
3. The organization *shall* ensure that no employment fees or costs are borne in whole or in part by workers.
4. Personnel *shall* have the right to leave the workplace premises after completing the standard workday and be free to terminate their employment provided that they give reasonable notice to their organization.
5. Neither the organization nor any entity supplying labour to the organization *shall* engage in or support human trafficking.

At Abul Khair, no evidence of any forced or compulsory labour has been found in the premises/ plants. The interviews with the labours corroborated with the findings. It is identified that employees have the freedom to resign, refuse overtime.

6.4 On the Health & Safety Issues

The Health & Safety Aspect of the workplace environment according to the quality standards are as follows:

1. The organization *shall* provide a safe and healthy workplace environment and shall take effective steps to prevent potential health and safety incidents and occupational injury or illness

arising out of, associated with or occurring in the course of work. It *shall* minimize or eliminate, so far as is reasonably practicable, the causes of all hazards in the workplace environment, based upon the prevailing safety and health knowledge of the industry sector and of any specific hazards.

2. The organization *shall* assess all the workplace risks to new, expectant and nursing mothers including those arising out of their work activity, to ensure that all reasonable steps are taken to remove or reduce any risks to their health and safety.
3. Where hazards remain after effective minimization or elimination of the causes of all hazards in the workplace environment, the organization *shall* provide personnel with appropriate personal protective equipment as needed at its own expense. In the event of a work-related injury the organization *shall* provide first aid and assist the worker in obtaining follow-up medical treatment.
4. The organization *shall* appoint a senior management representative to be responsible for ensuring a safe and healthy workplace environment for all personnel and for implementing this Standard's Health and Safety requirements.
5. A Health and Safety Committee, comprised of a well-balanced group of management representatives and workers, *shall* be established and maintained. Unless otherwise specified by law, at least one worker member(s) on the Committee *shall* be by recognized trade union(s) representative(s), *if they choose to serve*. In cases where the union(s) does not appoint a representative or the organization is not unionized, workers *shall* appoint a representative(s) as they deem appropriate. Its decisions *shall* be effectively communicated to all personnel. The Committee *shall* be trained and retrained periodically in order to be competently committed to continually improving the health and safety conditions in the workplace. It *shall* conduct formal, periodic occupational health and safety risk assessments to identify and then address current and potential health and safety hazards. Records of these assessments and corrective and preventive actions taken *shall* be kept.
6. The organization *shall* provide to personnel, on a regular basis, effective health and safety training, including on-site training and, where needed, job-specific training. Such training *shall* also be repeated for new and reassigned personnel, where incidents have occurred, and when changes in technology and/or the introduction of new machinery present new risks to the health and safety of personnel.
7. The organization *shall* establish documented procedures to detect, prevent, minimize, eliminate or otherwise respond to potential risks to the health and safety of personnel. The organization *shall* maintain written records of all health and safety incidents that occur in the workplace and

in all residences and property provided by the organization, whether it owns, leases or contracts the residences or property from a service provider.

8. The organization *shall* provide, for use by all personnel, free access to: clean toilet facilities, potable water, suitable spaces for meal breaks, and, where applicable, sanitary facilities for food storage.
9. The organization *shall* ensure that any dormitory facilities provided for personnel are clean, safe and meet their basic needs, whether it owns, leases or contracts the dormitories from a service provider.
10. All personnel *shall* have the right to remove themselves from imminent serious danger without seeking permission from the organization.

While some measures in Health & Safety have been observed, multiple issues demand attention that need to and can be taken care of on a short response time. The following table identifies the findings, and pairs them with potential remedial action.

Findings	Recommendations
1. Occupational health and safety risk assessment is missing	Management should prepare risk assessment procedure and carry out risk assessment
2. Ergonomics risks are not identified	Necessary steps should be taken to identify ergonomics risks
3. Some training have been provided in recognition of hazards and emergencies and appropriate actions. This includes training with local fire brigade personnel in the plant premises. Regular training documentation is not available	Personnel should be <i>regularly</i> trained in recognition of hazards and emergencies
4. Emergency evacuation plans are not mapped, but some indications are posted at regular Production area	Evacuation plans and maps along with directions should consistently be posted at Production area
5. Manual fire safety systems are available. However, automated fire safety systems (fire detection, smoke detection, alarm,) are not installed in every production floor	Automated fire safety systems (fire detection, smoke detection, alarm,) should be installed in every production floor
6. Visual Fire alarm are not present in all noisy production areas	Visual Fire alarm should be cover all noisy areas

Findings	Recommendations
7. CRM section working floor was found oily	Working floor should be dry, attention to cleaning team can solve the issue
8. While some directions are posted, emergency fire evacuation plan are not posted at <i>every</i> exit	Emergency fire evacuation plan to be post at <i>every</i> exit
9. Fire drills are conducted at Flat steel production site, however, this needs to have documented and regular procedure to be effectively monitored	Fire drills should be conducted regularly at the Flat steel production site
10. Medical check-up are not conducted periodically for employees, who work in high risk areas	Periodically Medical check-ups should be ensured for high risk area employees
11. PA (Public Address) System are not installed in all production areas with IPS backup	PA (Public Address) System should be installed in all production area with IPS backup
12. First aider, fire fighter roles and responsibilities are communicated among the appointed employees through separate micro-teams	In order to aid inspection, this should be available under documentation and records.
13. Major injury awareness training records are not found	Major injury awareness training should be stored and maintained
14. There are safety teams divided into smaller teams as per job responsibility. It has been informed that there are arrangements with nearby hospitals, however, formal documentation will be helpful.	Management shall have or enforce agreements with nearby hospital(s) for any emergency accidents
15. Risk Assessment are not found – General worker, New mothers, Expected mothers	Management should assess every risk
16. Loose wire found in different places at Flat Steel	Management should take necessary actions to remove Loose wire
17. Aisle marks are missing at most of the working area at Flat Steel	Ensure aisle markings
18. Aisle marks blocked by raw materials at Flat Steel area	Aisle marks should be free
19. Drinking water facility not found at production floor	Drinking water must be available in every production floor

Findings	Recommendations
20. Electrical Equipment/ wires are not properly monitored for maintenance at Flat Steel. They are repaired on a basis of observation.	Electrical Equipment/ wires should be properly maintained by ensuring that they are checked on a periodical basis and repaired based on the monitoring evidence.
21. Electrical panels/ boxes/ switches are boxed for employee protection, but some open electrical panels were observed too.	Electrical panels/ boxes should be used for all electrical switches in the plants.
22. Fire alarm are not installed at each exit	Fire alarm should be installed at each exit
23. Emergency lights are not sufficient with IPS backup	Sufficient Emergency lights should be installed
24. First aid medicine list and First aider Photo are not posted on/around the first aid box	First aid medicine list and First aider Photo should be post on/ around the first aid box
25. Warning labels are not found at Electrical panels/ boxes (SDB, DB)	Warning labels should be posted at Electrical panels/ boxes (SDB, DB)
26. Child care facility are not available at the moment, but is planned to be executed	Management shall ensure that the Child care facility plan is executed
27. In some cases, personal protective equipment are in short quantity than required, but in order to meet the shortage, the company has already undertaken PPE purchase budget	The PPE shortage must be met on an immediate basis

6.5 On the Freedom of Association & Rights to Collective Bargaining

Criteria of freedom of association and rights to collective bargaining are as follows:

1. All personnel *shall* have the right to form, join and organize trade union(s) of their choice and to bargain collectively on their behalf with the organization. The organization *shall* respect this right and shall effectively inform personnel that they are free to join a worker organization of their choosing without any negative consequences or retaliation from the organization. The organization *shall not* interfere in any way with the establishment, functioning or administration of workers' organization(s) or collective bargaining.
2. In situations where the right to freedom of association and collective bargaining are restricted under law, the organization *shall* allow workers to freely elect their own representatives.
3. The organization *shall* ensure that union members, representatives of workers and any personnel engaged in organizing workers are not subjected to discrimination, harassment, intimidation or retaliation for being union members, representative(s) of workers or engaged in

organizing workers, and that such representatives have access to their members in the workplace.

The workers have collective bargaining association and have a satisfactory relationship with the management. However, there is no formal documents/ papers/ policies outlining the Freedom of Association and/ or Rights to Collective Bargaining on part of the employees/ workers in Abul Khair business units. The management needs to undertake formulating this policy and aware the employees and other critical stakeholders on the policy. This will ensure that any informal current practice with the labour association can therefore be standardized and acknowledged under the audit.

In terms of grievance handling mechanisms, no complain box were observed during the audit. However, it is noted that the grievance handling procedures exist at the AK plants. The following points denote the grievance handling mechanism at Abul Khair:

1. Workers can complain to their immediate superior or connecting officer for any kind of genuine problem. If they do not get any solution from their immediate superior or connecting officer; then they can appeal to the higher authority (Grievance Handling Team)
2. The employee concerned shall bring his/her grievance to the notice of the Plant Head in writing within 15 days of the occurrence of the cause of such grievance.
3. The Plant Head will nominate a person or persons as Inquiry Officer/Committee to hold an inquiry.
4. The inquiry officer/committee will complete his/its Enquirer and submit his/its report to the Plant Head with his/its findings.
5. Within 15 days of receipt of such grievance, inquire into the matter and give the employee concerned an opportunity of being heard and communicate his decision, in writing, to the said employee.
6. If the employer fails to give a decision or if the employee is dissatisfied with such decision, he/she may make a representation to the Grievance handling Team [GHT] of the company in written.
7. Workers Welfare Committee (Nominated by GHT) will investigate the grievance and solve the problems with management by collective dialogue and findings will be notified to the accused in written.
8. If the Petitioner is not satisfied with in the decision of the GHT, he/she may make a representation to the Labour Affiliated Court.

6.6 On the Discriminatory Practices

The disciplinary practices of SA 8000 are according to the following criteria:

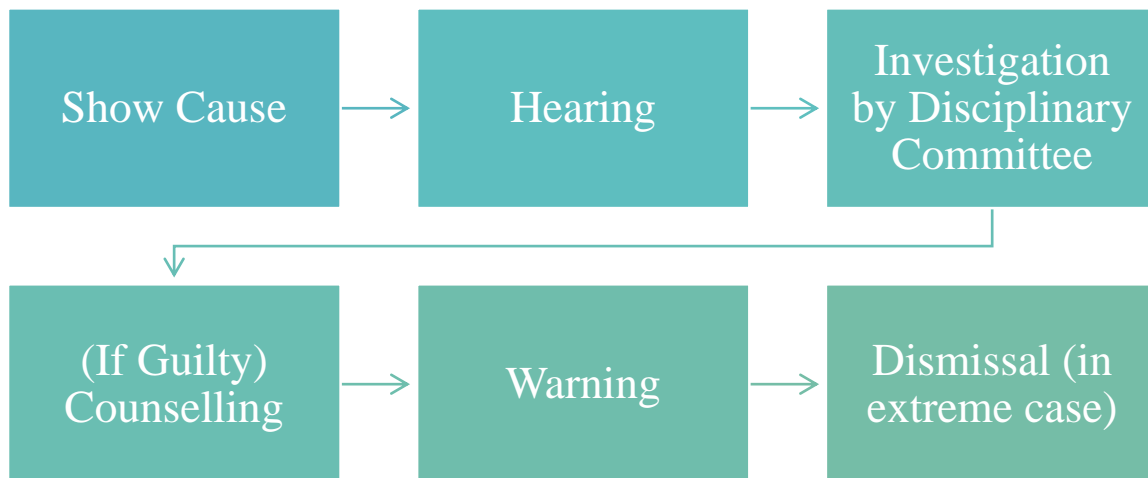
1. The organization *shall not* engage in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, national or territorial or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age or any other condition that could give rise to discrimination.
2. The organization *shall not* interfere with the exercise of personnel's rights to observe tenets or practices or to meet needs relating to race, national or social origin, religion, disability, gender, sexual orientation, family responsibilities, union membership, political opinions or any other condition that could give rise to discrimination.
3. The organization *shall not* allow any behaviour that is threatening, abusive, exploitative or sexually coercive, including gestures, language and physical contact, in the workplace and in all residences and property provided by the organization, whether it owns, leases or contracts the residences or property from a service provider.
4. The organization *shall not* subject personnel to pregnancy or virginity tests under any circumstances.

Work environment is considered good in general. However, employee skill tests are not available. This is particularly helpful in setting compensation benchmarks and tracking progress. No work handbook is maintained. Discrimination is found between casual workers and regular employees, as casual workers are not allotted any paid leaves, or ID cards.

6.7 On the Disciplinary Issues

The criterion of the social accountability quality standards on the disciplinary issues is that the organization *shall* treat all personnel with dignity and respect. The organization *shall not* engage in or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse of personnel. No harsh or inhumane treatment is allowed.

There are documented disciplinary action procedure in AK plants and factories. The process is summarized as follows:



6.8 On the Working Hours

The working hours criteria for quality standards on social accountability are:

1. The organization *shall* comply with applicable laws, collective bargaining agreements (where applicable) and industry standards on working hours, breaks and public holidays. The normal work week, not including overtime, *shall* be defined by law but shall not exceed 48 hours.
2. Personnel *shall* be provided with at least one day off following every six consecutive days of working. Exceptions to this rule apply only where both of the following conditions exist:
 - a. National law allows work time exceeding this limit; and
 - b. A freely negotiated collective bargaining agreement is in force that allows work time averaging, including adequate rest periods.
3. All overtime work *shall* be voluntary, except as provided in 7.4 below, shall not exceed 12 hours per week and shall not be requested on a regular basis.
4. In cases where overtime work is needed in order to meet short-term business demand and the organization is party to a freely negotiated collective bargaining agreement representing a significant portion of its workforce, the organization may require such overtime work in accordance with such agreement. Any such agreement must comply with the other requirements of this Working Hours element.

Once the database for the workers is set up, the overtime amount per labour following the national labour law. During payment, pay slips should be provided to the employees, which are currently not provided to indirect workers.

6.9 On the Remuneration Issues and Human Resources

During the audit, it was identified that provident fund mechanism is not established in the company. Living wage estimates are also not analysed. The management can look into this to ensure the remuneration mechanism can take advantage of all such benefits.

However, During the audit, it was noted that they have standard HR practice, Employee accommodation, subsidized meals, free healthcare, HR Manual, KPI system, Training schedule, recruitment policy. The following data were revealed from the HR documents:

Total number of employees at Abul Khair Ltd. & Abul Khair Steel & Power Ltd: 1604, including 249 in management roles and 1355 in management roles.

Gender Ratio: M:F 4:1

Total number of employees at Long Steel (Abul Khair Steel Ltd.): 600

Turnover: 1.67%

Shift timing: 3 shifts * 8 hrs. (6am-2pm, 2pm-10pm, 10pm-6am)

Wages Standard:

The wage Standard of the direct employees of AKG is well satisfactory compared to the other factories in Bangladesh. They also enjoys lots of other facilities like training abroad with the cost of AKG, festival bonuses and yearly bonuses.

The wage rate of sub-contractors labours is fair as overhead is taken off from their wage, they receive less wage compared to the direct employees of AKG. But it is most important for AKG to monitor the overhead that is cut off from the salaries of contractors' labours. It should be mentioned in the contract letters of each employees. It is also suggested to AKG that when they contract with any contractors, overhead issues should be mentioned in the contract letters between AKG and the contractors.

Living Cost in Chittagong:

Living in Chittagong is quite expensive. Most of the income is spent for living expenses. But AKG is providing accommodation and food for the labours of the power plant which actually save lots of money

for the workers. The poverty line of Chittagong is 1250 dollars/year² income. If any HH's yearly income is below this amount, that household will be counted as living below poverty line.

In consideration of this poverty line, none of the contractor's yearly income is less than 100000/year. On top of this they are enjoying free accommodation and food. The external monitor will assess the living wages in Chittagong and whether the labours are satisfied with the wages given by the contractors.

It should be noted that the following records were not evidenced to be maintained:

1. Employee exit interview
2. Manpower planning
3. Employee counselling, and
4. Training needs assessments.

These should become a part of the HR module, currently undergoing preparation.

6.10 On the Management Systems

Throughout review of the eight elements of SA8000, the requirements of Management System are central to their correct implementation, monitoring and enforcement. The Management System is the operational map that allows the organization to achieve full and sustained compliance with SA8000 while continually improving, which is also known as Social Performance.

When implementing the Management System element, it is a required priority that joint worker and management involvement be established, incorporated and maintained throughout the compliance process with all the Standard's elements. This is particularly critical to identify and correct non-conformances and to assure continuing conformance.

The findings on the Management System for Social Accountability at Abul Khair are as follows:

Findings	Recommendations	Timeline
Social Accountability Policy and Procedures are not established	The management should establish social accountability Policies and Procedures	31 December, 2016

² In the recent gas distribution project of ADB, this poverty line is used for Chittagong.

Findings	Recommendations	Timeline
SA 8000 guidelines are not communicated with the workers	Once formulated, the guidelines should be clearly and effectively communicated with the workers	31 March, 2017
Waste management practices exist in the plant, but Policy and Procedures are not established	The management should formulate a waste management policy and procedure for proper monitoring	31 May, 2016
OHS Committee existence confirmed, but no evidenced of a Social Performance Team	A separate Social Performance Team needs to be established	31 May, 2016
Risk assessment procedures are not found for assessing relevant risks for all elements of SA8000	The management should formulate a risk assessment procedure	30 June, 2016
Evidence of internal audits on <i>all</i> elements of SA8000 are not found	An internal audit plan needs to be designed and acted upon	30 June, 2016
Social compliance monitoring mechanism is not established	A social compliance monitoring mechanism should be established	30 June, 2016
Relevant stakeholders are not involved in the SA8000 compliance process. There is no awareness program to communicate the SA 8000 compliance process to the relevant stakeholders	A compliance mechanism should be put forward in place with relevant stakeholders, and they should be communicated accordingly	30 June, 2016
Evidence of any Supplier Policy and Procedure not found, but there are some procedural documents	A supplier policy and procedure should be prepared	30 June, 2016
No evidence found of the factory management's communications of the SA 8000 requirements to senior leadership of suppliers/subcontractors, private employment agencies and subcontractors	Communication of SA 8000 requirements should be communicated to proper channels	31 April, 2016
no significant risks of non-conformance by suppliers/subcontractors, private employment agencies and sub-	The management needs to identify if any significant risk of non-conformance exists in the process	31 April, 2016

Findings	Recommendations	Timeline
suppliers are currently identified in the work place		
Contractor workers are not separately identified in the workplace, and no identity card is provided to contractual workers	All employees must be provided with identity cards [Current employees have already been issued identity cards by 15 March, 2016 deadline]	15 March, 2015 for current employees, otherwise continuous effort

Annex 1: Field Visit Pictures



Worker's Accommodation



Raw Materials stored in Steel Manufacturing Units



Flat Steel being manufactured



Long Steel production line



Power Plant under construction



Safety Guidelines



Fire Safety Instruments



Waste Disposal System

Annex 2: Audit Checklists

SA 8000 Audit Checklist

Child Labour	<ul style="list-style-type: none"> • Check proof of age of persons working in the organization. Age should be above 15 years. Check how any subcontractor's employees are covered in this respect. • If child labour is used, check what action is taken for remediation of child labour, e.g.; schooling, financial support etc. • No underage child labour shall be engaged. Young workers (Age 15-18) can be engaged. They should be assigned jobs which are suitable for young people only. • Is a young workers register maintained? • Young workers duty time and schooling shall not exceed 10 hours. • Duty hours will not exceed 8 hours. No night shift is allowed. • If there is any hazardous work, young workers should not be exposed to it. • In the absence of age proof, the competent medical authority's certificate of age can be accepted.
Forced and Compulsory Labour	<ul style="list-style-type: none"> • Does the company require a deposit of money or bond from workers in order to be employed? • Are employees' identity cards held by the company as a condition for employment? • The company should not deduct part of salary to force the 'loyalty' of workers. Check with employees whether such deductions are done. • Check whether security guards are used to force workers to remain in the job. • Is there compulsory continuation of employment (by not allowing the workers who want to leave the job)? • Check whether the employees have the freedom to resign. • Check records of ex-employees and how they have been discharged from the company. • Are people of external origin (without proper papers) held as employees? • Is bonded labour system followed by engaging all members of a family under forcible conditions?

	<ul style="list-style-type: none"> • Can workers refuse overtime?
Health and Safety	<ul style="list-style-type: none"> • Check the list of chemicals and their MSDS. Are safety precautions as per the MSDS followed? • Is adequate personal protective equipment available? (Masks, glove etc.) • Is there a senior company officer responsible for health and safety? • Are emergency exits marked clearly? • Has the company conducted risk analysis on the materials, processes and equipment? • Are identified control measures implemented based on all hazards? • Is health and safety training conducted? • Are employees aware of the hazards associated with their area of operation and how to protect themselves? • Are adequate personnel trained in firefighting? Are adequate personnel trained in first aid? • Is an emergency preparedness plan available? Is an accident register maintained? • Are emergency evacuation points identified? Are sufficient first aid boxes available? • Are emergency drills conducted? • Are emergency plans and the H&S manual amended based on experiences? • Are pregnant women and feeding mothers are given jobs which are fit for their state? Whether proper drinking water is provided? Are gangways properly identified and free of clutter? • Are dormitories provided by the company clean, safe and have adequate toilets? • Is new equipment installed only after proper risk analysis? • Is a crèche provided when legally required?
Freedom Of Association and Rights to Collective Bargaining	<ul style="list-style-type: none"> • Are unions allowed in the company? How many unions are there? • Are employees free to join a union of their choice? Are worker representatives elected? • Is undue disciplinary action or harassment is meted on to workers representatives?
Discrimination	<ul style="list-style-type: none"> • Is equal pay for equal work offered?

	<ul style="list-style-type: none"> • How are worker promotion decisions made • Are people of particular religion, region, and sex discriminated against? • Are there restrictions which prevent practices related to religion? • Are pregnant women discriminated against? Are women dismissed when found pregnant? Are women subjected to sexual harassment?
Disciplinary practices	<ul style="list-style-type: none"> • Are standing orders available? Are standing orders followed? • Are fines levied as part of disciplinary action? Is physical punishment such as beating or imprisonment carried out? • Are there any legal cases pending related to disciplinary action? • Are employees provided a fair opportunity to explain their side prior to decision on disciplinary action?
Working hours	<ul style="list-style-type: none"> • The company exceeds 8 hour duty per day per head • What is the normal overtime level? Work week cannot exceed 48 hrs. • Overtime shall not exceed 12 hours per week. • Is one day weekly off given? • Exceptions are approved by the clause 7 of the SA 8000 standard and competent legal authority is allowed. • How are working hours tracked? • What is the maximum number of consecutive hours worked? • Are people working more than 10 days continually without off?
Remuneration	<ul style="list-style-type: none"> • Are minimum wages as per regulation paid? • Do minimum wages meet basic needs wages? • Are there pay slips with full wage details, including explanation of deductions? • Are premium rates are paid for overtime? • Is the company avoiding ESI/PF etc. by engaging 'labour only' contracts? • Are time card is maintained? • Are workers made 'temporary' or 'permanent casuals' for months or years? Are legal benefits like ESI, PF, maternity benefit etc. provided to workers?
Management Systems	<ul style="list-style-type: none"> • Is there a defined and documented SA policy (in local language also)?

	<ul style="list-style-type: none"> • Is it displayed prominently? • Are workers aware of the SA policy? • Does the policy include a commitment to meet national laws related to labour welfare? • Is a senior company officer appointed as SA 8000 Manager? • Are there worker representatives who can interact with management on SA 8000 matters? • If so, is that representative freely elected from among workers? • Are works committees established? • Are top management reviews conducted formally regarding SA 8000 performance and arrive at divisions for improvement? • Are SA roles & responsibilities clearly defined? • Is worker training on SA aspects provided? Is SA performance monitored? Is SA performance audited? • Are undertakings obtained from suppliers and subcontractors on compliance to SA 8000 requirements? • Are supplier verification SA audits conducted? Are suppliers checked for minimum SA requirement compliance prior to registration? Are there home workers? • Are welfare & safety measures provided to home workers? • Are home worker records are maintained by the company? • Are SA audits are conducted on home workers? Are concerns expressed by workers, external agencies are acted upon for improvement. • Is root cause analysis is done on all concerns and action is taken to avoid recurrence • Is there regular communication with interested parties on SA 8000 performance? • Whether company engages in dialogues with interacted parties on SA compliance. • Whether company provides access to auditors to verify compliance. • Whether company maintains records of compliance as required by this SA standard and applicable legal requirements?
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OHSAS Audit Checklist

General Requirements – Scope of Certification	<ul style="list-style-type: none"> • Have you established, documented, implemented, maintained and continually improved your OH&S management system in accordance with the requirements of the OHSAS Standard? • Can you determine how your OH&S management system will fulfil the OHSAS Standard requirements? • Have you defined and documented the scope of your OH&S management system?
Occupational Health & Safety Policy	<ul style="list-style-type: none"> • Have top management defined and authorised your OH&S policy, ensuring it is appropriate to the nature and scale of your organisation's OH&S risks as captured by the defined scope of your OH&S management system? • Have top management included commitment to prevention of injury and ill health with continual improvement in your OH&S management and performance in your organisation? • Can you demonstrate commitment to at least comply with applicable legal requirements and with other requirements to which you subscribe, that relate to your organisation's OH&S hazards? • Have top management provided a framework for setting and reviewing OH&S objectives? • Is your OH&S policy documented, implemented and maintained? • Is your policy communicated to all persons working under the control of your organisation to make them aware of their individual obligations within your OH&S management system? • Is your OH&S policy available to interested parties? • Do you regularly review your OH&S policy statement and management system to ensure that it remains relevant and appropriate to your organisation?
Planning – Hazard Identification, Risk Assessment & Determining Controls	<ul style="list-style-type: none"> • Have you established, implemented and maintained a procedure(s) for the ongoing hazard identification, risk assessment, and determination of necessary controls; making sure the procedure(s) for hazard identification and risk assessment take into account:

	<ul style="list-style-type: none"> ○ Routine and non-routine activities? ○ Activities of all persons having access to the workplace (including contractors and visitors)? ○ Human behaviour, capabilities and other human factors? ○ Identified hazards originating outside the workplace capable of adversely affecting the health and safety of persons under the control of your organisation within the workplace? ○ Hazards created in the vicinity of the workplace by work related activities under the control of your organisation? ○ Infrastructure, equipment and materials at the workplace, whether they are provided by you or other organisations? ○ Changes or proposed changes to your organisation, its activities, or materials? ○ Modifications to the OH&S management system, including temporary changes, and their impacts on your operations processes, and activities? ● Does your organisation define methodology for hazard identification and risk assessment within the scope, nature and timing, to be proactive rather than reactive? ● When defining hazard identification and risk assessment, do you provide identification, prioritisation and documentation of risks and the application of controls as appropriate? ● For the management of change, do you identify the OH&S hazards and OH&S risks associated with changes in your organisation, your OH&S management system, or your activities, prior to the introduction of change? ● Do you make sure the results of your assessments are considered when determining controls? ● When determining controls, do you apply the following hierarchy of control: <ul style="list-style-type: none"> ○ Elimination? ○ Substitution?
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	<ul style="list-style-type: none"> ○ Engineering controls? ○ Signage/warnings and/or administrative controls? ○ Personal protective equipment? ● Do you keep documentation of the results from the identification of hazards, risk assessments and determined controls updated? ● When establishing, implementing and maintaining your OH&S management system, do you ensure that the OH&S risks and determined controls are taken into account?
Planning – Legal and Other Requirements	<ul style="list-style-type: none"> ● Have you established, implemented and maintained a procedure(s) for identifying and accessing the legal and other OH&S requirements that are applicable to you? ● When establishing, implementing and maintaining your OH&S management system, do you take into account your applicable legal requirements and other requirements to which you subscribe? ● Do you keep this information up-to-date? ● Do you communicate to persons working under control of your organisation and other relevant parties all applicable information on legal and other requirements?
Planning – Objectives and Programmes	<ul style="list-style-type: none"> ● Have you established, implemented and maintained documented OH&S objectives, at relevant functions and levels within your organization? ● Are these objectives measurable, where practicable, and consistent with your OH&S policy, including: <ul style="list-style-type: none"> ○ Your commitments to the prevention of injury and ill health? ○ Your compliance with applicable legal requirements and with other requirements to which your organisation subscribes? ○ And to continual improvement? ● When establishing and reviewing your objectives, do you take into account the legal requirements and other requirements to which your organisation subscribes, and to your OH&S risks?

	<ul style="list-style-type: none"> • Do you consider your organization's technological, financial, operational and business requirements, including views of your relevant interested parties?
	<ul style="list-style-type: none"> • Have you established, implemented and maintained a programme(s) for achieving your objectives? • Does your programme(s) contain, as a minimum: <ul style="list-style-type: none"> ○ The designation of responsibility and authority for achieving objectives at relevant functions and levels within your organisation? ○ The means and time-frame by which your objectives are to be achieved? • Do you review your programme(s) at regular and planned intervals, and • Adjusted them as necessary, to ensure that your objectives are achieved?
	<ul style="list-style-type: none"> • Do top management take ultimate responsibility for your OH&S policy your OH&S management system? • Do top management demonstrate commitment by: <ul style="list-style-type: none"> ○ Ensuring the availability of resources essential to establish, implement, maintain and improve your OH&S management system? ○ Defining roles, allocating responsibilities and accountabilities, and delegating authorities to facilitate effective OH&S management? ○ Are these roles, responsibilities, accountabilities, and authorities documented and communicated? • Has your organisation appointed a member(s) of top management with specific responsibility for OH&S, irrespective of other responsibilities, and with defined roles for authority? • Does this appointed member(s) ensure that the OH&S management system is established, implemented and maintained in accordance with the OHSAS Standard? • Does the appointed member(s) ensure that reports on the performance of the OH&S management system are presented to

	<p>top management for review and used as a basis for improvement?</p> <ul style="list-style-type: none"> • Is the identity of the top management appointee made available to all persons working under the control of your organisation? • Do all those with management responsibility demonstrate their commitment to the continual improvement of your OH&S performance? • Does your organisation ensure that persons in the workplace take responsibility for aspects of OH&S over which they have control including adherence to the organisation's applicable OH&S requirements?
Competence, Training and Awareness	<ul style="list-style-type: none"> • Are all persons working under the control of your organization, who are performing tasks that can impact on OH&S, competent on the basis of: <ul style="list-style-type: none"> ○ Appropriate education, training or experience; and ○ Do they retain associated records? • Has your organization identified training needs associated with the control of your OH&S risks and your OH&S management system?
Competence, Training and Awareness	<ul style="list-style-type: none"> • Are all persons working under the control of your organisation, who are performing tasks that can impact on OH&S, competent on the basis of: <ul style="list-style-type: none"> ○ Appropriate education, training or experience; and ○ Do they retain associated records? • Does your organisation provide training or take other action to meet these needs, evaluate the effectiveness and retain associated records? • Can your organisation demonstrate that it has established, implemented and maintained a procedure(s) to make a person(s) working under your control aware of: <ul style="list-style-type: none"> ○ The OH&S consequences of their work activities, their behaviour and the OH&S benefits of improved personal behaviour? ○ Their roles and responsibilities and the importance in achieving conformity to the OH&S policy and procedures and to the requirements of the OH&S

	<p>management system, including emergency preparedness and response requirements (see 4.4.7)?</p> <ul style="list-style-type: none"> ○ The potential consequences of departure from specified procedures? ● Do your training procedures take into account differing levels of responsibility, ability, language skills, literacy and risk?
Communication, participation and consultation	<ul style="list-style-type: none"> ● Regarding your OH&S hazards and OH&S management system, have you established, implemented and maintained a procedure(s) for: <ul style="list-style-type: none"> ○ Internal communication? ○ Communication with contractors and other visitors to the workplace? ○ Receiving, documenting and responding to relevant communications from external interested parties? ● Has your organisation established, implemented and maintained a procedure for the participation of your workers by: <ul style="list-style-type: none"> ○ Appropriate involvement in hazard identification, risk assessment and determination of controls? ○ Appropriate involvement in incident investigation? ○ Involvement in the development and review of the OH&S policies and objectives? ○ Consultation where there are any changes that affect their OH&S? ○ Representation of OH&S matters? ● Are your workers informed about their participation arrangements, including who is their representative(s) on OH&S matters? ● Have you got a procedure(s) in place to consult with contractors where there are changes that affect their OH&S? ● Does your organisation ensure that all relevant external interested parties are consulted about pertinent OH&S matters?
	<ul style="list-style-type: none"> ● Does your OH&S management system documentation include: ● The OH&S policy and objectives? ● Description of scope of the OH&S management system?

	<ul style="list-style-type: none"> • Description of the main elements of the OH&S management system and their interaction and reference to related documents? • Documents, including records, required by the OHSAS Standard? • Documents, including records, determined by your organisation to be necessary to ensure the effective planning, operation and control of processes that relate to the management of your OH&S risks?
Control of Documents	<ul style="list-style-type: none"> • Are your documents required by your OH&S management system and by the OHSAS Standard controlled (records are a special type of document and controlled in accordance with the requirements of the Standard)? • Has your organisation established, implemented and maintained a procedure(s) to: <ul style="list-style-type: none"> ○ Approve documents for adequacy prior to issue? ○ Review and update as necessary and re-approve documents? ○ Ensure that changes and the current revision status of documents are identified? ○ Ensure that relevant versions of applicable documents are available at points of use? ○ Ensure that documents remain legible and readily identifiable? ○ Ensure that documents of external origin determined by your organisation necessary for the planning and operation of your OH&S management system are identified and then distributed and controlled? ○ Prevent the unintended use of obsolete documents and apply suitable identification to them if they are retained for any purpose?

<p>Operational Control</p>	<ul style="list-style-type: none"> • Have you determined the operations and activities that are associated with your identified hazard(s) where the implementation of controls is necessary to manage the OH&S risk(s)? • Do you also control the management of change • For the determined operations and activities, have you implemented and maintained: <ul style="list-style-type: none"> ○ Operational controls applicable to your organisation and its activities; and are these controls integrated into your overall OH&S management system? ○ Controls related to purchased goods, equipment and services? ○ Controls related to contractors and other visitors to the workplace? ○ Documented procedures to cover situations where their absence could lead to deviations from your OH&S policy and your objectives? ○ Stipulated operating criteria where their absence, could lead to deviations from your OH&S policy and objectives?
<p>Emergency preparedness and response</p>	<ul style="list-style-type: none"> • Have you established, implemented and maintained a procedure(s): <ul style="list-style-type: none"> ○ To identify the potential for emergency situations? ○ To respond to such emergency systems? • Does your organisation respond to actual emergency situations and prevent or mitigate associated OH&S consequences? • When you are planning your emergency response, do you take account of the needs of the relevant interested parties, e.g. emergency services and neighbours? • Do you periodically test your procedure(s) to respond to emergency situations and where practicable, do you involve relevant interested parties as appropriate? • Do you review and where necessary, revise your emergency preparedness and response procedure(s), in particular, after periodical testing and after the occurrence of emergency situations

<p>Checking</p>	<ul style="list-style-type: none"> • Has your organisation established, implemented and maintained a procedure(s) to monitor and measure OH&S performance on a regular basis? • Does this procedure(s) provide for: <ul style="list-style-type: none"> ○ Both qualitative and quantitative measures, appropriate to the needs of your organisation? ○ Monitoring of the extent to which your organisation's OH&S objectives are met? • Monitoring the effectiveness of controls (for health as well as for safety)? • Proactive measures of performance that monitor conformance with your OH&S programme(s), controls and operational criteria? • Reactive measures of performance that monitor ill health, incidents (including accidents, near-misses, etc.), and other historical evidence of deficient OH&S performance? • Recording of data and results of monitoring and measurement sufficient to facilitate subsequent corrective action and preventive action analysis? • If equipment is required to monitor or measure performance, has your organization established and maintained procedures for the calibration and maintenance of such equipment, as appropriate? • Have you got records of calibration and maintenance activities and have results been retained?
<p>Evaluation of Compliance</p>	<ul style="list-style-type: none"> • Consistent with your commitment to compliance, has your organisation established, implemented and maintained a procedure(s) for periodically evaluating compliance with applicable legal requirements? • Does your organisation keep records of your results for your periodic evaluations? • Do you evaluate compliance with other requirements to which you subscribe? • Do you keep records of the results from your periodic evaluations?

Our Clients



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