

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

05 Oct 2021



Factory Information

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| FLA Affiliates | Gymshark Ltd. |
| Country | Turkey |
| Number of Workers | 84 |

Understanding this Report

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

FLA Code Element

Number of Violations

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| Compensation (C) | 2 |
| Employment Relationship (ER) | 13 |
| Health, Safety And Environment (HSE) | 4 |
| Nondiscrimination (ND) | 1 |

Assessment Information

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| Assessor | Sinan Doven |
| Assessment Date | 05 Oct 2021 |
| Assessment Purpose | Factory Assessment (Hybrid) |

ASSESSMENT RESULTS

Compensation (C)

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| Benchmark ID | C.21.1 |
| Benchmark Details | Employers shall provide all legally mandated benefits, including holidays, leave, bonuses, severance payments and 13th month payments to all eligible workers within legally defined time periods. |
| Finding Details | Annual leaves are not used by 5 workers during previous years and accumulated 1 to 14 days. |
| Recommendation for Immediate Action | Ensure that annual leave days are used on time. |
| Compliance Classifications | Immediate Action Required |
| Local Law | Labor Law, 2003, No: 4857, Art 56 |
| Benchmark ID | C.15.1.2 |
| Benchmark Details | Employers shall provide workers a pay statement each pay period and not less frequently than once a month, which shall show wage calculations. |
| Finding Details | The pay slips show gross wages and net overtime compensations which is confusing for the workers. |
| Recommendation for Immediate Action | Ensure that the pay slips show the wages more clearly. |
| Compliance Classifications | Immediate Action Required |
| Local Law | |

Employment Relationship (ER)

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| Benchmark ID | ER.11.2 |
| Benchmark Details | Employers must ensure the following minimum terms and conditions are met in the employment of contract/contingent/migrant/temporary workers: Contract/contingent/migrant/temporary workers shall be provided an employment agreement in their native language setting out the employment terms and conditions. for migrant workers, a copy of their employment contract in their native language shall be provided prior to departure from their country of origin; |
| Finding Details | The copies of the contracts are not provided to all workers during the hiring process. |
| Recommendation for Immediate Action | Ensure that copies of contracts are provided to the workers on the day of the hiring. |
| Compliance Classifications | Immediate Action Required |
| Local Law | FLA Code |
| Benchmark ID | ER.1.2 |
| Benchmark Details | Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions. |
| Finding Details | The factory does not provide on-going training to workers on FLA Code elements. |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |

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| Local Law | FLA Code |
| Benchmark ID | ER.5.1 |
| Benchmark Details | Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure compliance. |
| Finding Details | The factory does not provide any specific training to the relevant supervisors that includes all FLA's Code elements and Employment Functions. |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | |
| Benchmark ID | ER.6.1 |
| Benchmark Details | Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond. |
| Finding Details | The factory does not have written policies and procedures on personnel development that encourage ongoing training with the goal of raising or broadening workers' skills so they can advance in their careers |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | |
| Benchmark ID | ER.7.1 |

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| Benchmark Details | Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements. |
| Finding Details | The factory does not have policies and procedures on performance reviews that include steps and processes, linkages to job grading, nondiscrimination, written feedback, and compliance with legal requirement |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | |
| Benchmark ID | ER.8 |
| Benchmark Details | Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements. |
| Finding Details | The factory does not have policies and procedures on promotion, demotion and job reassignment |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | |
| Benchmark ID | ER.4 |

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| Benchmark Details | Employers shall inform workers about workplace rules, environmental protection systems, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas. |
| Finding Details | FLA Code elements and Employment Functions are not communicated regularly to the workers or not posted on the work floors. |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | |
| Benchmark ID | ER.19.1 |
| Benchmark Details | Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws. |
| Finding Details | Gymshark Code is not communicated to workers or posted on the work floors |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | |
| Benchmark ID | ER.3.1 |

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| Benchmark Details | Employers shall provide an orientation to new employees at the time of hiring, which includes explanations of the employers' rules, compensation package and policies for human resources, grievance systems, industrial relations, including respect of the right to freedom of association, workers' rights and responsibilities, FLA Code of Conduct, health and safety, and environmental protection. |
| Finding Details | The factory provides only verbal brief information on working conditions in orientation training to the new workers. Orientation training does not cover all FLA's Code elements and Employment Functions. According to worker interviews including new workers, workers' awareness is low on FLA Code benchmarks and legal requirements. |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | |
| Benchmark ID | ER.1.3 |
| Benchmark Details | Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code. |
| Finding Details | The factory does not have a regular review system for its policies and procedures. |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | FLA Code |
| Benchmark ID | ER.18.4 |

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| Benchmark Details | The disciplinary system shall include a third party witness during imposition, and an appeal process. |
| Finding Details | The disciplinary procedures do not include workers' right to appeal the disciplinary action and workers' ability to have a third party witness during the imposition of disciplinary actions. |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | FLA Code |
| Benchmark ID | ER.16.2 |
| Benchmark Details | When employers are faced with major changes in production, program, organization, structure, or technology and those changes are likely to result in temporary or permanent layoffs, employers shall communicate any alternatives to retrenchment that have been considered and consult any workers' representatives as early as possible with a view to averting or minimizing layoffs. |
| Finding Details | The factory does not have a system or written procedures to consult with worker representatives prior to making the final decision on retrenchment in cases of retrenchment. |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | |
| Benchmark ID | ER.3.3 |
| Benchmark Details | Workers should be provided with written documentation that substantiates all the issues covered in orientation briefings. |

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| Finding Details | The factory does not provide written documentation that substantiates all the issues covered in orientation to the workers. |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | |

Health, Safety And Environment (HSE)

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| Benchmark ID | HSE.6.2 |
| Benchmark Details | A sufficient number of workers shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training. |
| Finding Details | There are 3 workers with first aid certification although there are 84 total workers and there should be 1 certified worker for every 20 workers. |
| Recommendation for Immediate Action | Ensure that there is one first aid certified worker for each 20 workers. |
| Compliance Classifications | Immediate Action Required |
| Local Law | First Aid Regulation (2002), No.24762, Art.16 |
| Benchmark ID | HSE.19 |
| Benchmark Details | All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations. |
| Finding Details | Meal samples are not maintained in the factory for 72 hours as legally required. |

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| Recommendation for Immediate Action | Ensure that meal samples are maintained for 72 hours at least. |
| Compliance Classifications | Immediate Action Required |
| Local Law | Food safety and quality inspection and control regulation, 26.9.2008, No: 27009, Art 8-1 |
| Benchmark ID | HSE.13 |
| Benchmark Details | All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility. |
| Finding Details | Internal workplace assessment for lighting has been conducted only in day time according to the documentation provided. |
| Recommendation for Immediate Action | Ensure that factory's illumination is assessed at night time in addition to day time. |
| Compliance Classifications | Immediate Action Required |
| Local Law | Health and Safety Requirements in the Buildings and Built on Connections, Article 22 |
| Benchmark ID | HSE.6.1 |
| Benchmark Details | All safety and medical equipment (e.g. fire fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to workers. |
| Finding Details | 1) Two fire extinguishers are not marked and mounted in the compressor room. 2) Eye wash station is missing in the maintenance room although the MSDS of oil indicates that the eyes shall be washed for at least 15 minutes at running water. |

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| Recommendation for Immediate Action | 1)Ensure that all the fire extinguishers are marked and mounted. 2)Ensure that eye wash station is implemented at the maintenance room. |
| Compliance Classifications | Immediate Action Required |
| Local Law | Regulation Regarding the Prevention of Fire in the Buidings, (November 27, 2007), No: 26735, Article 99. 5, Regulation Rearding Health & Safety Precautions in Work with Chemical Substances (August 12, 2013), No. 28733, Article 7 |

Nondiscrimination (ND)

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| Benchmark ID | ND.2.2 |
| Benchmark Details | Employment decisions shall not be made on the basis of gender, race, religion, age, sexual orientation, nationality, political opinion, social group, ethnic origin, marital status, or union affiliation or sympathy. |
| Finding Details | There was a worker who has been terminated without a reason in 2021. The records were not showing why this worker has been terminated. According to management, the productivity of this worker was not satisfying, however, there was no record that show this reason in termination files. Although there was no evidence for any type of discrimination, the factory needs to develop a system to keep complete records of termination cases. |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | |