

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

02 Mar 2022



Factory Information

FLA Affiliates	adidas, Forward Sports, Ltd
Country	Pakistan
Number of Workers	

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

FLA Code Element	Number of Violations
Employment Relationship (ER)	12
Freedom Of Association And Collective Bargaining (FOA)	1
Harassment Or Abuse (H/A)	1
Health, Safety And Environment (HSE)	13
Nondiscrimination (ND)	1

Assessment Information

Assessor	Innovatus
Assessment Date	02 Mar 2022

Assessment Purpose

Factory Assessment (In-Person)

ASSESSMENT RESULTS

Employment Relationship (ER)

Benchmark ID	ER.2
Benchmark Details	Employers shall ensure that all legally mandated requirements for the protection or management of special categories of workers, including migrant, juvenile, contract/contingent/temporary, probationary workers, home workers, and pregnant or disabled workers, are implemented. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.
Finding Details	The number of disabled workers is 1.2% of the workforce which is less than the legal requirement of 3%.
Recommendation for Immediate Action	Ensure that required percentage of disabled workers are hired.
Compliance Classifications	Immediate Action Required
Local Law	Section 2, The Punjab Disabled Persons (Employment and Rehabilitation) (Amendment) Act 2015
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 facility is not conducting specific trainings for supervisors on FLA code and employment functions such as disciplinary procedure, industrial relations. However, some supervisors are included In regular trainings for workers and as a result not all supervisors have received the training.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.17.1
Benchmark Details	Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.
Finding Details	The grievance procedure does not cover all the channels of grievance handling in practice such as compliant boxes, complaint application, and the process followed in each channel.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.15.1
Benchmark Details	Employers shall have in place a procedure for determining termination payouts, including methods for correct assessment of payouts for all modes of termination/retranchment, taking into account national legal requirements.
Finding Details	The facility is not conducting training sessions on covid-19 protocols. However, precautionary measures and instructions are posted on entrances, exits, and production halls. Furthermore, TV screens are installed in the production halls on which Covid related information is displayed for worker awareness.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.1
Benchmark Details	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.
Finding Details	1. There is no separate policy and procedure on forced labor. Parts of it are covered in recruitment and hiring, freedom of movement, and working hours policies and procedures. 2. The facility's written procedure on termination does not mention/cover how misconduct would be established for termination. 3. The facility's procedure on compensation and benefits does not cover skillwise minimum wage for different categories of workers. It only mentions minimum wage for unskilled workers which was also not updated as per law.
Recommendation for Immediate Action	1. Develop the procedure as per law to inquire misconducts.
Compliance Classifications	Immediate Action Required
Local Law	Section 6, The Punjab Minimum Wages Act, 2019; Section 15 The Industrial and Commercial Employment (Standing Orders) Ordinance, 1968
Benchmark ID	ER.18.1

Benchmark Details	Employers shall have written disciplinary rules, procedures and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).
Finding Details	The disciplinary procedure does not provide details on the process of conducting disciplinary proceedings, appeals, and penalties to be imposed. There is only a flowchart that lacks details of the process.
Recommendation for Immediate Action	Add the legal process of conducting disciplinary proceedings, appeals, and penalties to be imposed in the disciplinary procedure.
Compliance Classifications	Immediate Action Required
Local Law	Section 15 The Industrial and Commercial Employment (Standing Orders) Ordinance, 1968
Benchmark ID	ER.4
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	In last one year, the facility has not provided trainings on COVID-19 protocols and emergency management plan.
Recommendation for Immediate Action	The facility should provide training on COVID 19 protocols and emergency management plan.
Compliance Classifications	Immediate Action Required
Local Law	Section 3 (h), The Punjab Occupational Safety and Health Act 2019
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	1. The facility does not have an approved layout of the facility from the relevant Government department. 2. The original grievance record from compliant boxes was not available and only a summary list of the complaints received during the assessment.
Recommendation for Immediate Action	1. The facility should get approval for the layout of the facility from local Government office.
Compliance Classifications	Immediate Action Required
Local Law	Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2009.
Benchmark ID	ER.3.1
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 orientation training to new workers does not cover extraordinary or temporary Health and Safety precautions.
Recommendation for Immediate Action	Provide orientation training to new workers which should cover extraordinary or temporary Health and Safety precautions.
Compliance Classifications	Immediate Action Required
Local Law	Section 3 (h), The Punjab Occupational Safety and Health Act 2019
Benchmark ID	ER.18.3.2
Benchmark Details	Workers have the right to participate and be heard in any disciplinary procedure against them.

Finding Details	The disciplinary action record does not provide any evidence that workers were heard and participated in the proceeding/inquiry. There were no inquiry details found for disciplinary actions. Only warning notices were placed in the respective personnel files.
Recommendation for Immediate Action	The facility should maintain the complete record of proceedings of the inquiry for disciplinary actions.
Compliance Classifications	Immediate Action Required
Local Law	Section 15 (4) The Industrial and Commercial Employment (Standing Orders) Ordinance, 1968
Benchmark ID	ER.18.3.1
Benchmark Details	Workers must be informed when a disciplinary procedure has been initiated against them.
Finding Details	Workers are informed verbally when a disciplinary procedure has been initiated against them. Notices for initiating disciplinary actions were not found in the records.
Recommendation for Immediate Action	The facility should inform workers in writing for alleged misconduct and initiations of inquiry. This communication should be recorded in personnel file of the worker.
Compliance Classifications	Immediate Action Required
Local Law	Section 15 (4) The Industrial and Commercial Employment (Standing Orders) Ordinance, 1968
Benchmark ID	ER.3.3
Benchmark Details	Workers should be provided with written documentation that substantiates all the issues covered in orientation briefings.
Finding Details	1. 50% of sampled newly hired workers did not receive the employee handbook. 2. Facility does not provide orientation training to workers since May 2021.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID	FOA.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning freedom of association and collective bargaining. national laws, rules, and procedures protecting the rights of workers to organize and bargain collectively. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.
Finding Details	1. The elected union representatives/office bearers are not yet notified by the registrar trade union which is a legal requirement. They were elected in March 2021. 2. There is no women representation in the executive body of the union.
Recommendation for Immediate Action	1. Get union representatives notified by the relevant government office. 2. Ensure women participation in the union executive body as required by law.
Compliance Classifications	Immediate Action Required
Local Law	Section 6, The Punjab Industrial Relations Act 2010

Harassment Or Abuse (H/A)

Benchmark ID	H/A.8.3
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Benchmark Details	Employers, shall develop, implement and monitor policy and procedures for eliminating the risk of violence, harassment, and abuse in the workplace. Policies and procedures shall include a clear statement that violence, harassment, and abuse will not be tolerated, procedures for the investigation of allegations, and measures to protect any complainants, victims, and witnesses.
Finding Details	The facility's non-harassment procedure does not mention the anti-harassment committee and worker representatives as possible complaint channels which are required as per law. The procedure also does not cover the informal complaint mechanism, procedure of inquiry, possible penalties, and the process of appeal.
Recommendation for Immediate Action	The facility should revise its non-harassment procedure and cover all possible legal complaint channels including informal channels. It should also cover the complete procedure to handling complaints including inquiry process, possible penalties, and the process of appeal.
Compliance Classifications	Immediate Action Required
Local Law	Section 3, 4, 5, The Protection Against Harassment of Women at The Workplace Act 2010

Health, Safety And Environment (HSE)

Benchmark ID	HSE.5.3
Benchmark Details	Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.
Finding Details	1. Only 30% of the workers participated in fire drills from June 2021 to March 2022. The last fire drill of the day shift was conducted in June 2021 and the night shift was conducted in January 2022, and the total number of workers covered in the fire drills was 1058 out of 3640 employees. 2. There are no joint fire drills carried out by the two separate entities in the factory.
Recommendation for Immediate Action	1. Facility should make sure that all workers participate in a full evacuation drill at least annually. 2. Carry out fire drills jointly.

Compliance Classifications	Immediate Action Required
Local Law	Section 3 (3) and 3 (n), The Punjab Occupational Safety and Health Act 2019
Benchmark ID	HSE.5.1
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: posting evacuation plans; the installation and maintenance of fire alarms; the installation and maintenance of emergency lighting; ensuring aisles/exits are not blocked and that workers are not blocked within their workstations; employee education and training; and evacuation procedures and fire drills.
Finding Details	1. The fire hydrant tank has a capacity of 10,000 gallons only which is not sufficient for 90 minute operation. 2. One emergency exit was found under construction in a new production hall on the ground floor. There is currently only one functional emergency exit in the hall which is opening into another production hall. 3. In the second division of the facility, one emergency exit was found locked on the 2nd floor of the female production hall. 4. The emergency exits are not fire-resistant throughout the facility.
Recommendation for Immediate Action	1. Increase the capacity of fire hydrant water tank to meet the requirement for 90 minute operation. 2. Provide functional emergency exit in the mentioned production hall. 3. Provide fire rated emergency exits on all locations.
Compliance Classifications	Immediate Action Required
Local Law	Section 25, The Factories Act, 1934; Section 3 (n), The Punjab Occupational Safety and Health Act 2019
Benchmark ID	HSE.5.1.6
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: evacuation procedures and fire drills

Finding Details	<p>1. There are two different facilities, in one boundary registered as two separate business entities under the same ownership. Both facilities have separate management teams. Fire safety is also handled by different teams and risks/concerns are not coordinated.</p> <p>2. There is no assessment carried out after the drill to improve evacuation process.</p>
Recommendation for Immediate Action	<p>1. Health and Safety teams of both the facilities should coordinate to share risks/concerns and carry out joint activities to mitigate those risks. 2. After each fire drill, conduct an assessment to identify areas for improvement.</p>
Compliance Classifications	Immediate Action Required
Local Law	Section 3 (3), The Punjab Occupational Safety and Health Act 2019
Benchmark ID	HSE.5.1.4
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following: ensuring aisles/exits are not blocked and that workers are not blocked within their workstations
Finding Details	In Building 2 second floor, one emergency exit was found partially blocked due to loading/unloading process.
Recommendation for Immediate Action	Make sure that all exits are free from any obstruction.
Compliance Classifications	Immediate Action Required
Local Law	Section 25, The Factories Act, 1934; Section 3 (n), The Punjab Occupational Safety and Health Act 2019
Benchmark ID	HSE.9.1
Benchmark Details	All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner, in accordance with applicable laws and international standards.

Finding Details	Secondary containments are not provided for the chemicals at the main chemical shed and in the latex pasting department to prevent any leakage.
Recommendation for Immediate Action	Provide secondary containment in chemical shed and latex pasting department.
Compliance Classifications	Immediate Action Required
Local Law	Section 3 (g), The Punjab Occupational Safety and Health Act 2019
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	1. 30% of the tested electric panels do not have phase separators and thimbles. 2. 20% of the inspected electric panels have double connections and lack vermin proofing. 3. Dust and flint were accumulated as there was no vermin proofing in the electric panels.
Recommendation for Immediate Action	1. The facility should place phase separators. 2. The facility should remove double connections. 3. The facility should clean electrical panels and ensure vermin proofing provided in all electrical panels.
Compliance Classifications	Immediate Action Required
Local Law	Section 3 (n), The Punjab Occupational Safety and Health Act 2019
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.

Finding Details	1. Facility has one functional cargo lift which is without inner safety doors for protection. 2. Needle guards are not provided in 30% of the inspected stitching machines. Also, pulley covers are not present in 25% of the stitching machines. 3. There was no lock-out tag-out system in place.
Recommendation for Immediate Action	1. Provide safety gate on inner cage of cargo lift. 2. Provide needle guards and pulley covers on all the machines. 3. Develop and implement lock-out tag-out system.
Compliance Classifications	Immediate Action Required
Local Law	Section 33-A, The Factories Act, 1934; Section 3 (a), The Punjab Occupational Safety and Health Act 2019
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	Eye washes are not provided on sites where chemicals are being used or stocked.
Recommendation for Immediate Action	Provide eyewash at all chemical storage and usage areas.
Compliance Classifications	Immediate Action Required
Local Law	Section 3 (g), The Punjab Occupational Safety and Health Act 2019
Benchmark ID	HSE.18.2.1
Benchmark Details	An appropriate number of medical staff shall be on duty during all working hours, including any type of overtime, as required under national law.
Finding Details	The medical facility operational timing is from 7:45 am till 4:45 pm, the overtime hours and night shift is not covered.

Recommendation for Immediate Action	Provide medical facility during all working hours including overtime.
Compliance Classifications	Immediate Action Required
Local Law	Section 3 (m), The Punjab Occupational Safety and Health Act 2019
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	1. One exit in Building 2 on the 2nd floor and Electrical Panel Room did not have a Manual fire alarm Call Point. 2. Smoke detectors were not provided in chemical storage sheds and sample storage area above the electrical panel room.
Recommendation for Immediate Action	1. Provide manual fire alarm call point at suggested locations. 2. Provide smoke detectors in chemical storage sheds and in sample storage area.
Compliance Classifications	Immediate Action Required
Local Law	Section 25, The Factories Act, 1934; Section 3 (n), The Punjab Occupational Safety and Health Act 2019
Benchmark ID	HSE.28
Benchmark Details	Employers shall create a system to ensure that all necessary Health and Safety protections are provided for external contractors; including protection when working within , confined spaces, maintenance issues, and general Health and Safety Issues.
Finding Details	The facility provides a verbal briefing on safety information to their contractors, but no documentary evidence is available.
Recommendation for Immediate Action	Provide safety information to contractors in a written form.

Compliance Classifications	Immediate Action Required
Local Law	Section 3, The Punjab Occupational Safety and Health Act 2019
Benchmark ID	HSE.29
Benchmark Details	Employers shall provide all necessary protection for workers when working at heights, confined spaces, and other high-risk areas.
Finding Details	Safety helmets and fall braces are not provided to workers using ladders and lifts.
Recommendation for Immediate Action	Provide safety helmets and fall braces to workers using ladders and lifting devices.
Compliance Classifications	Immediate Action Required
Local Law	Section 3 (k), The Punjab Occupational Safety and Health Act 2019
Benchmark ID	HSE.7
Benchmark Details	Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors, noise, dust) to health and safety hazards, including medical waste.
Finding Details	The workers in binding and pasting who use latex are provided with ordinary disposable masks instead of respirators.
Recommendation for Immediate Action	Provide appropriate masks to workers in binding and pasting.
Compliance Classifications	Immediate Action Required
Local Law	Section 3 (k), The Punjab Occupational Safety and Health Act 2019

Nondiscrimination (ND)

Benchmark ID	ND.4
Benchmark Details	Employers may not request the disclosure of any personal, non-job related information during the application, recruitment, or hiring process, including but not limited to gender, race, religion, disability, sexual orientation, nationality, political opinion, social group, ethnic origin, or marital status.
Finding Details	The interview form for recruitment includes questions about marital status and the number of children.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

