

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

15 Sep 2022



Factory Information

FLA Affiliates	Amer Sports
Country	Myanmar
Number of Workers	260

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

Compensation (C)	2
Employment Relationship (ER)	12
Freedom Of Association And Collective Bargaining (FOA)	1
Harassment Or Abuse (H/A)	1
Health, Safety And Environment (HSE)	22
Hours Of Work (HOW)	6

Assessment Information

Assessor	Openview - Vietnam
----------	--------------------

Assessment Date	15 Sep 2022
Assessment Purpose	

ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.7
Benchmark Details	All payments to workers, including hourly wages, piecework, fringe benefits and other incentives shall be calculated, recorded, and paid accurately.
Finding Details	The payment for workers including hourly wages, fringe benefits and other incentives are unable to verify accurately due to the inconsistencies found in the working hour records. The factory keeps manual time records are inconsistent and unable to accurately verify. The working hour is manually recorded by the supervisor as "V" for a working day and numbers such as "1" and "2" for overtime hours. The HR staff later input the time in/time out in excel files which are not reflecting the actual time in and time out of workers. The CCTV review and worker interview noted that workers leave the factory at 18:30 and did not take a break when working overtime in July and August 2022, but the time records provided by HR staff show that workers have break time and leave the factory at 19:00. The production records in cutting section indicate workers work on Sunday on August 14, 2022. However, there are no Sunday records in the factory timesheets and payrolls. The interview reveals that Sunday work will be paid by cash separately.
Recommendation for Immediate Action	Payment for all workers accurately following the law and keep complete records for review.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with Social Security Law No. 15 (2012), Art. 75
Benchmark ID	C.9.3

Benchmark Details	Employees shall be compensated for overtime hours at such premium rate as is legally required in the producing country
Finding Details	1. The compensation for overtime hours could not be verified accurately due to the inconsistencies found in the working hour records. 2. Based on the provided records, the factory does not pay overtime compensation for the two cooking workers working at the dormitory for foreign workers For instance, a sample selected cooking worker worked 10.5 hours in a day from 6:30 to 17:30 and from 6:00 to 17:00 in July 2022; worked on two Sundays (July 03 and 17, 2022); and worked on two holidays (July 12, 2022 and July 19, 2022) but the factory only pays 100% of the salary for all those hours worked.
Recommendation for Immediate Action	Pay workers for overtime as per law required. All payment records must be kept accurately in place.
Compliance Classifications	Immediate Action Required
Local Law	Factories Act (1951) Art.73(1), when a worker will work in a factory during a period in excess of that provided for in articles 59 and 62

Employment Relationship (ER)

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 factory employed four temporary workers in June 2022 for warehouse and packing process, and two temporary workers have been employed in July 2022 for warehouse and for sewing section, Line C. However, there are no labor contracts provided to those temporary workers. There is only a form named Employee Data Sheet with only information of work position and salary provided to workers.
Recommendation for Immediate Action	Ensure to provide the labor contracts for temporary workers as per legal requirement.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with Employment and Skills Development Law (2013)
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	1. The ongoing training for workers does not cover FLA's Code Elements, and missing Employment Relationship, Non-discrimination, Harassment or Abuse, Forced labor, Child labor, Freedom of Association and Collective Bargaining, Grievance Mechanisms. The ongoing training provided by the factory is mostly related to factory labor rules, policies and regulations on Working Hours, Wages and Benefits, Health, Safety and Environment. 2. The factory does not clearly define the qualified staff responsible for each of the FLA's Code Elements and FLA Employment Functions sufficiently. The organization chart only shows responsible staffs for Compensation, Recruitment, Health Safety, and Environment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	N/A
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 specific training for relevant supervisors that includes FLA's Code Elements and Employment Functions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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 current procedure does not fully ensure that workers can confidentially report the violation via suggestion boxes. Currently, the suggestion boxes are opened and checked by only one HR staff rather than having at least one more party (i.e.worker representative) involved to ensure that the workers' suggestions/complaints handled sufficiently and transparently. There are no records of regular checking for suggestion boxes kept in place for review.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	<p>1. The procedure for non-discrimination is established and updated on November 19, 2021. However, the prohibition statements are not included all types of discrimination such as HIV/AIDS infection, political opinion, pregnancy, and social group etc. The statements only mention the prohibition in non-discrimination of religions, nationality discrimination, race, age, marital status, disability, gender, and ethnic origin. There is no procedure in place to handle cases of discrimination found in the factory, including steps to discipline those responsible for the violations related to the non-discrimination policy. 2. The factory has not developed the procedure to handle cases of forced labor found in the factory including steps to discipline those responsible for forced labor violations. 3. The factory does not have procedures to handle cases of child labor found in the factory, including the steps to discipline those responsible for the violations related to child labor policy. 4. The factory does not have policy and procedure to remediate if child labor is found in the factory. 5. The factory does not have procedures governing all aspects of Retrenchment with specific steps to handle in the case of Retrenchment. 6. There is no job description established for all jobs/positions in the factory.</p>
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A

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 factory immediately terminates the labor contracts of workers due to ' being absence for three consecutive days without permission, while the factory should follow the labor discipline procedure and issue written warning letters first. Additionally, the factory also needs to issue notification to workers in advance for the termination as per local law.
Recommendation for Immediate Action	Ensure to terminate the labor contract of workers following the legal requirement.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with the employment contract template, order No (140/2017), Art-4(B)1
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 has not developed 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	N/A
Benchmark ID	ER.7.1
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 policy or procedures for performance review that include steps and processes, linkages to job grading, non-discrimination, written feedback, and compliance with the legal requirement.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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 a policy or procedure to implement for promotion and demotion. Factory management confirmed that promotion and demotions are mostly handled by the parent company managers.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	1. There are no policy or procedure which could prove the factory has a system to provide regular comprehensive communication to workers on all FLA's Code Elements and Employment Functions. The factory does not provide regular communication to workers on FLA's Code Elements including Employment Relationship, Non-discrimination, Harassment or Abuse, Forced labor, Child labor, Freedom of Association and Collective Bargaining, Hours of work, Compensation. 2. The factory does not post the FLA's Code throughout the workshops for workers to refer.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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 for new workers does not cover all FLA's Code Elements, and missing of Employment Relationship, Non-discrimination, Harassment or Abuse, Forced labor, Child labor, Freedom of Association and Collective Bargaining, Hiring & Personnel Development and Retrenchment. The provided training for new workers is mostly related to factory labor rules, policies and regulations on Working Hours, Wages and Benefits, Health, Safety and Environment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	1. There are no records and data in place to prove that the factory conducts a comprehensive review of its established compliance policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code. 2. Workers are not consulted or integrated into the decision-making process of aspects concerning the workplace and working conditions. Policies and procedures are established by the social compliance team, HR, and HSE team without consultation or integration from workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID	FOA.7
Benchmark Details	Employers shall comply with all relevant provisions where national laws provide special protection to workers or worker representatives engaged in a particular union activity (such as union formation) or to worker representatives with a particular status (such as founding union members or current union office holders).
Finding Details	Workers report that the factory provides a list of supervisors for workers to elect to the Workplace Coordinating Committee (WCC) of the factory instead of allowing workers to freely promote and elect by themselves. Therefore, the Workplace Coordinating Committee (WCC) established on August 24, 2022 by the Labor Department has six members and all of them are supervisors (three managers and three supervisors).
Recommendation for Immediate Action	Ensure workers are freely to elect the Workplace Coordinating Committee by themselves as per legal requirement.
Compliance Classifications	Immediate Action Required
Local Law	Settlement of labor dispute law 2012 (amended in 2019), Art. 2 (3),

Harassment Or Abuse (H/A)

Benchmark ID	H/A.8.3
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 factory does not have a procedure to discipline supervisors, managers, and workers who engage in any form of harassment and abuse.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Health, Safety And Environment (HSE)	
Benchmark ID	HSE.30.1
Benchmark Details	Employers shall develop, maintain, and regularly review health, safety, and environmental policies to ensure that they comply with all national laws, regulations and the FLA Workplace Code concerning health, safety, and environmental standards, regulations and procedures.
Finding Details	1. The environmental handling procedure does not include guidance on environmental emergencies for wastewater, air emissions, solid and hazardous waste and chemical tanks. 2. There are no chemical management procedures and chemical emergency response procedure in place to implement.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	HSE.5.3
Benchmark Details	Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.
Finding Details	The latest fire drill conducted on July 1, 2022 does not have records showing details such as trainer, drill attendance record, time of evacuation, and training and improvement suggestion after the drills.

Recommendation for Immediate Action	Conduct the fire drill and keep all fire drill records with details information such as trainer, drill attendance records, time of evacuation, and training and improvement suggestion after the drills.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with the Factories Act (1951), Article 40.
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 factory does not prohibit smoking within 15 meters (50ft) of the areas at the waste storage building. 2. All emergency exit doors of all buildings in the factory are metal doors. However, there is no evidence to confirm if the emergency exit doors are fire-resistant and smoke-sealed doors as per FLA Benchmarks. 3. All emergency exit doors of the factory are sliding doors instead of open outward doors. 4. The factory has posted two evacuation maps in the production buildings. However, one out of two evacuation maps is incorrect and not reflecting the actual layout and exits.
Recommendation for Immediate Action	1. Post the non-smoking signs to prohibit smoking within 15 meters (50ft) of all closing areas. 2. Install the exit doors which are fire-resistant and smoke-sealed doors as per FLA Benchmarks. 3. Install the open outward doors for all emergency exit doors. 4. Post the right direction and accurate evacuation maps in all buildings to use in emergency events.
Compliance Classifications	Immediate Action Required

Local Law	1. In accordance with the factories Acts 1951, Arrangements are to be made against cases of fire Section 40, sub-section 2) 2. In accordance with the Factories Act, 1951 (Act No. 65 of 1951), Article 40
Benchmark ID	HSE.5.1.2
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: installation and maintenance of fire alarms;
Finding Details	The fire emergency alarms in the factory do not have the backup batteries as required by the local laws.
Recommendation for Immediate Action	Install the backup battery for all fire alarm systems.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with the Factory Act, 1951, Article 30
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	1. 5-10% of workers in sewing section of most sewing lines are blocked by the semi-products. 2. One out of three exit doors in the production buildings is blocked partially by the finished goods.
Recommendation for Immediate Action	Keep all workers and exit doors are free from any obstruction.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with Factory Act 1951 revised in 2016, Article 40

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	The factory posts the identification labels for chemical bottles in the glue sticking section. However, the labels do not include necessary information such as chemical components, associated risks, required PPE and responses for the chemical emergency cases.
Recommendation for Immediate Action	Post the labels with all required information for chemical.
Compliance Classifications	Immediate Action Required
Local Law	N/A
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	The factory has provided soap for hand washing. However, there is no tissue or dryers provided for workers noted during the assessment as per local law and FLA Benchmarks.
Recommendation for Immediate Action	Provide the tissue or dryers for workers in the rest room as required by the local laws and FLS Benchmarks.
Compliance Classifications	Immediate Action Required
Local Law	Factory Act, 1951 Amended in 2016, Article 44
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. Based on the working environment testing report of August 25, 2022, there are working sections where the noise level is higher than 85dB such as sewing line B, sewing line C, sewing line D, and computer line. However, the factory does not actively take measures to reduce noise level and improve the working condition. 2. There are no rubber mats provided under the electrical panels in the MDB room next to the generator room.
Recommendation for Immediate Action	1. Ensure to take action to reduce the noise level in the workplace in line with industrial standards. 2. Provide rubber mats under all electrical panels in the MDB room.
Compliance Classifications	Immediate Action Required
Local Law	N/A
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	1. The vertical ladder at the water tank behind the production building is not installed with body rails to prevent risks of falling. 2. Sewing machines are not installed with needle guards. Only eye shields are installed for sewing machines. 3. There is no lightning system installed for all buildings in the factory. 4. There is no gas detector installed for the gas cylinders used in the kitchen of the management dormitory. Those gas cylinders are not chained to prevent from risk of falling down. 5. The factory does not implement lockout and tagout program.

Recommendation for Immediate Action	1. Install the body rails for vertical ladder at the water tank. 2. Install the needle guards for all sewing machines in the sewing section. 3. Install the lighting protection system in place. 4. Use a chain for the gas cylinders to prevent it from falling down and Install the gas detector at the gas cylinders used in the kitchen of the management dormitory.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with The Factory Act, 1951; Factories Act 1951 revised in 2016, point 23
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 out of six observed fire extinguishers are not accessible and blocked by the drinking water drums at the kitchen of the management dormitory. 2. The auto fire alarm or detector system is not installed for waste storage building (338 square meters) located next to the main production building. The fire alarms are not installed for the mezzanine (1,402 square meters) of the production building. 3. There is no eyewash provided at the glue using section in the production building where chemical is used.
Recommendation for Immediate Action	1. Ensure the firefighting equipment are free from obstruction. 2. Install smoke detectors at the waste storage building located behind the production building; Install the fire alarm for the mezzanine floor in the production building. 3. Install the eyewash station at the chemical areas.
Compliance Classifications	Immediate Action Required
Local Law	1. The factories Acts 1951, on OSH 2.9 Safety Provisions. 2. In accordance with Factory Act 1951 revised in 2016, Article 40 3. In accordance with the factories Acts 1951, on OSH 2.9

Benchmark ID	HSE.4.1
Benchmark Details	Employers shall at all times be in possession of all legally required and valid permits and certificates related to health, safety, and environmental issues, such as: Purchase and storage of chemicals; Fire safety inspections; Machinery inspections; Waste disposal; Environmental licenses/permits; Sanitation permits, including those required for canteens; and Vehicle inspection and driver permits for all employer provided transportation.
Finding Details	1. The factory obtains the Environmental Management Plan (EMP) report. However, the factory has not obtained approval for the EMP from Environmental Conservation and Cleaning Department as per law requirement. 2. The Fire safety certificate (FSC) does not cover one-story building used for waste storage with approximate 100 sqm. 3. The Building Complete Certificate (BCC) does not cover management dormitory, waste storage building and dormitory room for translators inside of the waste storage building.
Recommendation for Immediate Action	1. Obtain the approval for the EMP from Environmental Conservation and Cleaning Department as per law requirement. 2. Obtain the The Fire safety certificate (FSC) for one-story building used for waste storage. 3. Obtain the Building Complete Certificate (BCC) for management dormitory, waste storage building and dormitory room for translators inside of the waste storage building.
Compliance Classifications	Immediate Action Required
Local Law	1. In accordance with the Environmental Conservation Rules, 2014. Rules 58-61. 58. 2. In accordance with the Myanmar Investment Law (The Pyidaungsu Hluttaw Law No. 40/2016), clause 17
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. There are no secondary containers for one thinner chemical drum (15 liters) at the glue sticking section and one chemical tank (200 liters) behind the waste storage building. 2. There is HSE committee established in the factory on July 8, 2022 with 11 members. However, all HSE committee members have not received training on their roles.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	HSE.14.3
Benchmark Details	Employers shall ensure safety instructions are either displayed or posted near all machinery or are readily accessible to the workers in language(s) spoken by workers.
Finding Details	90% of the warning signs for machine safety were in English and Chinese languages instead the local language for workers' reference.
Recommendation for Immediate Action	Post all warning HSE signs, instruction in the local language for workers' reference.
Compliance Classifications	Immediate Action Required
Local Law	Factories Act 1951 revised in 2016, point 23
Benchmark ID	HSE.20
Benchmark Details	Employers shall establish the number of toilets required under applicable laws within reasonable distance of the workplace. In addition, the following should also be considered: number of toilets based on number of workers, privacy for each individual and gender, accessibility and hygiene.

Finding Details	All toilet rooms are built with very large holes in walls. Therefore, the toilet rooms for both male and female are not ensured fully privacy for workers.
Recommendation for Immediate Action	Repair the toilets to ensure fully privacy for workers.
Compliance Classifications	Immediate Action Required
Local Law	N/A
Benchmark ID	HSE.17.2
Benchmark Details	Employers shall train workers in proper lifting techniques, and items such as lifting belts shall be provided.
Finding Details	The factory does not provide training to workers on ergonomics, including lifting techniques for heavy objects in warehouse.
Recommendation for Immediate Action	Provide training to workers on ergonomics, including lifting techniques for heavy objects in warehouse
Compliance Classifications	Immediate Action Required
Local Law	N/A
Benchmark ID	HSE.10.1
Benchmark Details	Material Safety Data Sheets (MSDS) for all chemicals and hazardous substances used in the workplace must be available at the usage and storage sites of the chemicals and hazardous substances, in the local language and the language spoken by workers, if different from the local language.
Finding Details	There are no Material Safety Data Sheets (MSDS) posted for chemicals labelled 'glue' and 'thinners' used at the glue sticking section in the production building.

Recommendation for Immediate Action	Post the Material Safety Data Sheets (MSDS) for chemicals used at the glue sticking section in the production building.
Compliance Classifications	Immediate Action Required
Local Law	N/A
Benchmark ID	HSE.18.2
Benchmark Details	Medical staff shall be fully licensed and recognized under applicable national rules and regulations.
Finding Details	There are approximately 285 workers working in the factory. However, the factory has not hired any nurse or doctor working onsite as required by the local laws.
Recommendation for Immediate Action	Hire nurse or doctor working onsite as required by the local laws.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with the factory Act 1951, article 47.
Benchmark ID	HSE.30.2.6
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed:protections to workers who allege health, safety, and environmental violations;
Finding Details	The Occupational Health and Safety risk assessment does not cover the areas of production buildings, generator room, Main Distribution Board (MDB) room, waste storage building, kitchen and management dormitory, and no risk assessment related to asbestos.
Recommendation for Immediate Action	Conduct the HSE risk assessment for all locations and significant hazards in the factory.

Compliance Classifications	Immediate Action Required
Local Law	In accordance with Occupational Safety and Health Law, Article 26(a), (b)
Benchmark ID	HSE.30.2
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system within which the following are clear and regularly tested and reviewed; procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies
Finding Details	The factory keeps records of labor accidents in the logbook with only basic information such as name of workers, date and reasons of accidents. There is no accident investigation carried out to identify root causes, as well as to propose the necessary actions to prevent the similar labor accident re-occurs.
Recommendation for Immediate Action	Conduct the labor accident investigation to identify root causes, as well as to propose the necessary actions to prevent the similar labor accident re-occurs.
Compliance Classifications	Immediate Action Required
Local Law	In according with the factories Acts 1951, Point 3.3; Occupational Safety and Health Law, Article 26(a), (b)
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	Workers who work with chemicals in the glue sticking area wear fabric masks instead of the anti-chemical masks required in the material safety data sheet (MSDS).
Recommendation for Immediate Action	Provide the correct PPE to all workers and monitor to ensure all workers wear PPE effectively.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with the Occupational Safety and Health Law, Article 26(e),
Benchmark ID	HSE.8
Benchmark Details	Workers shall be provided with training on the use and maintenance of personal protective equipment. Training shall be upon hire with periodic refresher training offered to all workers. Management will ensure use of PPE as necessary.
Finding Details	The workers who work with cutting machine do not wear earplugs as per factory policy.
Recommendation for Immediate Action	Provide the correct PPE to all workers and monitor to ensure all workers wear PPE effectively.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with the Occupational Safety and Health Law, Article 26(e).
Benchmark ID	HSE.14.2
Benchmark Details	Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use.
Finding Details	The factory does not provide safety training to designated workers with special/high-risk responsibilities to work at heights, such as using ladders to maintain/repair the electricity system and fire fighting equipment system (fire alarms, emergency exit lights, exit lights).

Recommendation for Immediate Action	Provide safety training to designated workers with special/high-risk responsibilities to work at heights, such as using ladders to maintain/repair the electricity system and fire fighting equipment system (fire alarms, emergency exit lights, exit lights).
Compliance Classifications	Immediate Action Required
Local Law	N/A

Hours Of Work (HOW)

Benchmark ID	HOW.22.1
Benchmark Details	Employers shall have in place policies for managing all working hour, overtime, and leave records in normal and exceptional circumstances.
Finding Details	The factory does not have procedures for working hour and overtime including exceptional circumstances to implement and monitor.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	HOW.3
Benchmark Details	Employers shall provide reasonable meal and rest breaks, which, at a minimum, must comply with national laws.
Finding Details	The factory does not provide 30-minute break for every five consecutive working hours as required by the local laws. As the factory explanation and from worker interview, the factory provides only 10 minutes for break before workers staring to work overtime.

Recommendation for Immediate Action	Provide 30-minute break for every five consecutive working hours to workers.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with the Factories Act (1951), Art. 63
Benchmark ID	HOW.11.1
Benchmark Details	Employers shall provide workers with paid annual leave as required under national laws, regulations and procedures.
Finding Details	As a general practice, factory does not pay untaken annual leave days for any eligible resigned workers due to misunderstanding of the local law requirement for annual leave days. For instance, a sample worker joined the factory on May 26, 2019, and this worker was terminated the labor contract on March 11, 2022. This worker has a total of 7.5 annual leave days until the termination day and has not taken any annual leave days. However, the factory did not pay for 7.5 untaken annual leave days in the final payout as per legal requirements.
Recommendation for Immediate Action	Pay the untaken annual leave days for the resigned workers as per legal requirements.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with 2018 the Leave and Holiday rules, Art-40 and 41.
Benchmark ID	HOW.21
Benchmark Details	Other than in exceptional circumstances, the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.

Finding Details	1. The weekly working hours could not be verified accurately due to manual time record used and inconsistencies noted during the assessment. 2. Based on the provided records, all two cooking workers working at the foreigner dormitory work from 10.5 hours to 11.5 hours in a day from 6:00 to 17:00 or from 6:30 to 18:30 with 30 minutes break a day (around 12:00 to 12:30). This practice leads to those workers work 61.0 to 74.5 hours per week from three to four weeks, noted in August 2022.
Recommendation for Immediate Action	1. Install reliable system to record all working hours and overtime of workers. Keep all records of working hours accurately and make payments of all working hours as per law. 2. Ensure the total weekly working hours (regular working hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.
Compliance Classifications	Immediate Action Required
Local Law	N/A
Benchmark ID	HOW.22.3
Benchmark Details	Time worked by all workers, regardless of wage system, shall be fully documented by time cards or other mechanical or electronic recording systems.
Finding Details	The factory's manual time records are inconsistent and unable to accurately verify. The working hour is manually recorded by the supervisor as "V" for a working day and numbers such as "1" and "2" for overtime hours. The HR staff later input the time in/time out in excel files which are not reflecting the actual time in and time out of workers. The CCTV review and worker interview noted that workers leave the factory at 18:30 and did not take a break when working overtime in July and August 2022, but the time records provided by HR staff show that workers have break time and leave the factory at 19:00. The production records in cutting section indicate workers work on Sunday on August 14, 2022. However, there are no Sunday records in the factory timesheets and payrolls. The interview reveals that Sunday work will be paid by cash separately.

Recommendation for Immediate Action	Install reliable system to record all working hours and overtime of workers. Keep all records of working hours accurately and make payments of all working hour as per law.
Compliance Classifications	Immediate Action Required
Local Law	Social Security Law No. 15 (2012), Art. 75 The Factories Act (1951), Art. 59, 60 &73
Benchmark ID	HOW.2
Benchmark Details	Workers shall be entitled to at least 24 consecutive hours of rest in every seven- day period. If workers must work on a rest day, an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following.
Finding Details	1. The day-off provided to workers could not be verified accurately due to manual time record used and inconsistencies noted during the assessment. 2. Based on the provided time records, the factory provides cooking workers only 2-3 weekly day-off in a month. This practice leads to those workers are not receiving one day off in a seven-day period. For instance, a sample selected cooking worker worked 13 consecutive days from July 11, 2022 to July 23, 2022 without day-off.
Recommendation for Immediate Action	1. Install reliable system to record all working hours and overtime of workers. Keep all records of working hours accurately and make payments of all working hour as per law. 2. Ensure to provide rest to workers as per legal requirement.
Compliance Classifications	Immediate Action Required
Local Law	The Factories Act (1951), Art. 60

