

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**10 Aug 2022**



## Factory Information

FLA Affiliates	Kay & Emms (Pvt) Limited
Country	Pakistan
Number of Workers	0

## 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)	4
Employment Relationship (ER)	5
Freedom Of Association And Collective Bargaining (FOA)	1
Harassment Or Abuse (H/A)	2
Health, Safety And Environment (HSE)	13
Hours Of Work (HOW)	1

## Assessment Information

Assessor	Innovatus
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Assessment Date	10 Aug 2022
Assessment Purpose	

## ASSESSMENT RESULTS

### Compensation (C)

Benchmark ID	C.22
Benchmark Details	Employers must establish a system through which workers can dispute compensation and receive clarifications in this respect in a timely manner.
Finding Details	There is no specific defined procedure for workers to submit grievances about wage payments and benefits.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	(1) The resignation/termination letters are not maintained in the full and final settlement files. (2) The payment proofs are not maintained in the full and final settlement files. Therefore, the termination payment made and their dates cannot be verified.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	Sec 12 (6) THE INDUSTRIAL AND COMMERCIAL EMPLOYMENT (STANDING ORDERS) ORDINANCE, 1968
Benchmark ID	C.15.1
Benchmark Details	Employers shall provide workers a pay statement in languages understood by workers each pay period and not less frequently than once a month,
Finding Details	The facility does not provide pay slips to its workers.
Recommendation for Immediate Action	Ensure that workers are provided with pay slips that include earned wages, hours worked, deductions, and any incentives/bonuses.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	C.4.1.1
Benchmark Details	For the time-period during which they receive training, apprentices and vocational trainees shall receive at least the minimum wage for regular workers or the prevailing industry wage for regular workers, whichever is higher.
Finding Details	Apprentice workers are paid 50% of the minimum wage, which is in line with the local law. However, it is not meeting FLA Code requirements.
Recommendation for Immediate Action	Ensure that apprentices are paid at least the minimum wage after 30 days of training
Compliance Classifications	Immediate Action Required
Local Law	

## 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 facility is not complying with the number of disabled workers which is less than the local law requirement of 3%. Right now, disabled workers are 0.1% of the total workers' strength.
Recommendation for Immediate Action	Ensure that number of disabled workers is in line with local law requirement of 3% or financial contribution being paid in case of failure of reaching this quota.
Compliance Classifications	Immediate Action Required
Local Law	Sec 10 THE DISABLED PERSONS (EMPLOYMENT AND REHABILITATION) ORDINANCE 1981
Benchmark ID	ER.17.6
Benchmark Details	Employers shall have a system in place to prevent retaliation against or discrimination towards workers who are filing grievances, including grievances regarding harassment, abuse, violations of factory procedures, compensation, or unsafe working conditions
Finding Details	The facility's policy and procedures on the grievance, harassment, and abuse, and nondiscrimination lack a statement/procedure on ensuring non-retaliation.
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) The facility's procedure for recruitment does not fully cover fully the legal procedure for hiring disabled workers. (2) The procedure for hiring apprentice workers is not aligned with FLA requirements on the compensation of apprentice workers. It allows paying below the legal minimum wage to apprentice workers. (3) The facility's procedure for non-discrimination does not cover discrimination based on marital status and retaliation. (4) The facility's procedure for retrenchment does not cover the procedure for determining termination payouts for all modes of termination/retrenchment as per law. (5) The procedure for compensation does not explain the premium pay rates for work on public holidays. The procedure also does not stipulate the procedure for handling compensation disputes.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Sec 10, 11 THE DISABLED PERSONS (EMPLOYMENT AND REHABILITATION) ORDINANCE 1981; Sec 12, THE INDUSTRIAL AND COMMERCIAL EMPLOYMENT (STANDING ORDERS) ORDINANCE, 1968
Benchmark ID	ER.17.3
Benchmark Details	Employers shall have in place written procedures that allow a direct settlement of the grievance by the worker and the immediate supervisor. Where this is inappropriate or has failed, there should be additional options for senior management review and consideration, depending on the nature of the grievance and the structure and size of the enterprise.

Finding Details	The disciplinary procedure does not cover the direct settlement of the grievance by the worker and the immediate supervisor.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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 facility's procedure on disciplinary practices does not provide 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). It only focuses on written warnings and dismissals.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Sec 15, THE INDUSTRIAL AND COMMERCIAL EMPLOYMENT (STANDING ORDERS) ORDINANCE, 1968
<b>Freedom Of Association And Collective Bargaining (FOA)</b>	
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	The facility's procedure for joint worker council does not cover the legal process for setting up the worker management council, its duration, scope of activities, and procedure for giving advice to management on its own initiative. The procedure is also not updated and refers to the industrial relation law.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Sec 29, THE PUNJAB INDUSTRIAL RELATIONS ACT 2010

### Harassment Or Abuse (H/A)

Benchmark ID	H/A.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning discipline, violence, harassment and abuse, including that which is gender-based
Finding Details	The members of the anti-harassment committee did not have knowledge regarding the complaint mechanism and conducting investigations.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

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 facility's procedure on harassment and abuse does not specify the process for lodging complaints, the procedure for inquiry, penalties, or the process for appeal, as required by law.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Sec 3, 4, 5, 6 THE PROTECTION AGAINST HARASSMENT OF WOMEN AT THE WORKPLACE ACT 2010

## 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	The facility's procedure on environment does not cover environmental emergencies and responses to handle such emergencies.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
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	Aisles in the cotton storage area at Building 2 were found to be partially blocked.
Recommendation for Immediate Action	Ensure that aisles are free from any obstruction all the time.
Compliance Classifications	Immediate Action Required
Local Law	Sec 25, THE FACTORIES ACT 1934
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	No food sampling procedure is in place to prevent potential food poisoning.
Recommendation for Immediate Action	Implement a system to keep food samples in the event of incidents of food poisoning.
Compliance Classifications	Immediate Action Required
Local Law	
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) A double connection was found in one electrical panel in Building 2. (2) 20% of the inspected electrical panels in Building 1 and Building 2 had improper looping. (3) 30% of inspected electrical panels in Building 1 were missing phase separators.
Recommendation for Immediate Action	(1) Remove double connections and looping from the electrical panels. (2) Provide phase separators in the electrical panels.
Compliance Classifications	Immediate Action Required
Local Law	Sec 3 (b), 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	The auto-lock mechanism of one cargo lift in Building 2 is not functional.
Recommendation for Immediate Action	The auto-lock mechanism of the elevator should be maintained.
Compliance Classifications	Immediate Action Required
Local Law	Sec 3 (b), 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	(1) The facility has not provided an eyewash facility near the printing section. (2) The backup diesel generator for the fire pump is not tested regularly.
Recommendation for Immediate Action	(1) The facility should provide an eye wash station in the printing section. (2) The facility should check the fire pump back generator for running it for 30 mins bi-weekly.
Compliance Classifications	Immediate Action Required
Local Law	Sec 3 (n) and (g), 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) The backup diesel engine for the fire hydrant pump is not set to start automatically. (2) The backup diesel engine for the fire hydrant pump is not provided with visible indicators to monitor engine temperature, battery charge level, and oil level. (3) Push bars at four emergency exit doors in the printing and stitching departments in Building 1 are not functional. (4) The facility has not provided identifiable windows for fire department access to the building in case of emergency. (5) The air tank in the printing section is not fixed/bolted to its permanent position.
Recommendation for Immediate Action	(1) The fire hydrant should always be set on automatic start. (2) Provide visible indicators for oil level, temperature, and battery charging for better monitoring of fire pump backup diesel generator. (3) Repair or replace push bars on the emergency exit doors. (4) Identify bare windows for better access to the buildings in case of emergency. (5) Fix the air compressor tank.
Compliance Classifications	Immediate Action Required
Local Law	Sec 3 (n) and (g), THE PUNJAB OCCUPATIONAL SAFETY AND HEALTH ACT 2019; Sec 25, THE FACTORIES ACT 1934

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	The facility does not have a proper confined space rescue kit. The manhole rescue tripod system and gas detector, which are needed for working in a confined space, are unavailable.
Recommendation for Immediate Action	The manhole rescue tripod system and gas detector should be provided for working in a confined space.
Compliance Classifications	Immediate Action Required
Local Law	Sec 3 (g), THE PUNJAB OCCUPATIONAL SAFETY AND HEALTH ACT 2019
Benchmark ID	HSE.30.3
Benchmark Details	Environmental policies shall include procedures to minimize environmental impacts with respect to energy, air emissions, water, waste, hazardous materials, and other significant environmental risks.
Finding Details	The facility's environmental procedure does not include a statement of the factory management's general support of energy and water efficiency, and a commitment to minimize impacts with respect to air emissions, waste, hazardous materials, and other applicable environmental risks
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.23.1

Benchmark Details	Safe and clean drinking water shall be freely available at all times, within reasonable distance of the workplace. Drinking water shall be of a reasonable temperature. The means to drink water (e.g. cups) must be safe and sanitary and available in an appropriate number.
Finding Details	Poor hygiene conditions were found at drinking water stations in Building 2.
Recommendation for Immediate Action	Ensure cleanliness at drinking water stations.
Compliance Classifications	Immediate Action Required
Local Law	Sec 3 (g), THE PUNJAB OCCUPATIONAL SAFETY AND HEALTH ACT 2019
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	Facility does not conduct proper root cause analysis to identify root cause of accident/injury.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Sec 3 (g), THE PUNJAB OCCUPATIONAL SAFETY AND HEALTH ACT 2019
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	Workers were observed working without face masks on production floors in stitching.
Recommendation for Immediate Action	Ensure that workers are provided with face masks.
Compliance Classifications	Immediate Action Required
Local Law	Sec 3 (g), THE PUNJAB OCCUPATIONAL SAFETY AND HEALTH ACT 2019
Benchmark ID	HSE.17.1
Benchmark Details	Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.
Finding Details	(1) Not all workers who work standing up are provided with anti-fatigue mats. (2) In the stitching department, work stations do not have backrests.
Recommendation for Immediate Action	(1) Provide anti-fatigue mats to all the workers (2) Provide backrests on stitching workstations
Compliance Classifications	Immediate Action Required
Local Law	Sec 3 (g), THE PUNJAB OCCUPATIONAL SAFETY AND HEALTH ACT 2019
<b>Hours Of Work (HOW)</b>	
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 procedure on working hours does not stipulate clearly the hours of work for women workers. It also does not provide a procedure that shows a commitment to progressively reducing excessive hours of work.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Sec 45, THE FACTORIES ACT 1934

