

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**05 Jun 2023**



## Factory Information

FLA Affiliates	Lululemon Athletica Inc.
Country	Philippines
Number of Workers	981

## 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

Child Labor (CL)	1
Compensation (C)	4
Employment Relationship (ER)	17
Freedom Of Association And Collective Bargaining (FOA)	1
Harassment Or Abuse (H/A)	5
Health, Safety And Environment (HSE)	13
Hours Of Work (HOW)	6
Nondiscrimination (ND)	1

**Assessment Information**

Assessor	Donny Triwandhani
Assessment Date	05 Jun 2023
Assessment Purpose	Factory Assessment (In-Person)

## ASSESSMENT RESULTS

### Child Labor (CL)

Benchmark ID	CL.8.1
Benchmark Details	Employers shall collect and maintain all documentation necessary to confirm and verify date of birth of all workers, such as birth certificates.
Finding Details	There is no proof of age documentation for the canteen workers at the factory, who are hired by an external company.
Recommendation for Immediate Action	Collect and store age documentation for canteen workers.
Compliance Classifications	Immediate Action Required
Local Law	

### Compensation (C)

Benchmark ID	C.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning the payment of compensation to workers.
Finding Details	1. There were no payment receipts available for review to substantiate contributions to social security, PhilHealth (medical), and Pag-Ibig (home development mutual fund) for the external canteen company. 2. Employees of the factory's security agency have contributions to a group life insurance plan and to a health maintenance organization (HMO) automatically deducted from their paychecks, totaling PHP 500 per year, even though these benefits are not required by law.

Recommendation for Immediate Action	1. Maintain payment receipts for contributions to social security, PhilHealth (medical), and Pag-Ibig (home development mutual fund) for the canteen company's employees. 2. Offer additional insurance benefits that are not required by law on a voluntary basis; do not make such deductions automatically.
Compliance Classifications	Immediate Action Required
Local Law	Social Security: RA 11199, Social Security Act of 2018, Sec. 19 (a); PhilHealth: Revised Implementing Rules and Regulations of the National Health Insurance Act of 2013, Rule III, Sec. 18 (a) (b); Pag-Ibig: RA 9679 (B) (I)
Benchmark ID	C.17
Benchmark Details	Employers shall ensure that all legally required payroll documents, journals and reports are available, complete, accurate and up-to date.
Finding Details	1. The canteen company provides payslips for its workers, but does not maintain payroll records. 2. There were no payroll records for the security agency's employees available for review at the time of assessment.
Recommendation for Immediate Action	1. Ensure that the canteen company maintains payroll records. 2. Ensure that payroll records for security agency workers are kept available for review.
Compliance Classifications	Immediate Action Required
Local Law	Payroll Register: Omnibus Rules Implementing the Labor Code (1989), Book III, Rule X, Sec. 6 (a).
Benchmark ID	C.2
Benchmark Details	Employers shall pay workers at least the legal minimum wage or the prevailing industry wage, whichever is higher, for regular working hours (not including overtime). Workers should also be informed about the legal minimum wage.

Finding Details	The minimum wage for canteen workers (employed by an external canteen operator) at the factory is not sufficient. Pay slips for these workers indicate that they are paid PHP 400 per day. The minimum wage is currently set at PHP 443 per day for establishments with less than 10 workers.
Recommendation for Immediate Action	Ensure that canteen workers are paid at least legal minimum wage.
Compliance Classifications	Immediate Action Required
Local Law	Wage Order No. RBIII-23 Section 2. New Minimum Wage Rates (The new daily minimum wage rate) Province of Pampanga.
Benchmark ID	C.3.1.3
Benchmark Details	Where probationary employment is legally allowed, no workers shall work more than three months in this employment category.
Finding Details	New hires at the factory are required to undergo a 6-month probationary period.
Recommendation for Immediate Action	Limit the probation period to no more than three months, as required by the FLA Code and Benchmarks.
Compliance Classifications	Immediate Action Required
Local Law	
<b>Employment Relationship (ER)</b>	
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	1. There is no employment contract for canteen workers hired by the external canteen operator. 2. Employees of the security agency do not receive copies of their employment contracts.
Recommendation for Immediate Action	1. Ensure that the canteen operator signs employment contracts with its workers. 2. Ensure that the security agency provides employees with copies of their employment contracts.
Compliance Classifications	Immediate Action Required
Local Law	
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 factory's ongoing trainings for workers do not include recruitment, hiring & personnel development, termination & retrenchment, grievances or environmental protection. 2. There is currently no safety officer designated at the facility. The prior safety officer has resigned.

Recommendation for Immediate Action	Hire a safety officer with the following duties and responsibilities: (a) Oversee the overall management of the OSH program in coordination with the OSH committee; (b) Frequently monitor and inspect any health or safety aspect of the operation being undertaken with the participation of supervisors and workers; (c) Assist government inspectors in the conduct of safety and health inspection at any time whenever work is being performed or during the conduct of an accident investigation by providing necessary information and OSH reports as required by the OSH standards; and (d) Issue Work Stoppage Order (WSO) when necessary based on the requirements and procedures provided by the OSH standards.
Compliance Classifications	Immediate Action Required
Local Law	Safety Officer: DO 198 (Section 14)
Benchmark ID	ER.18.2
Benchmark Details	Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.
Finding Details	The assessment found that managers and supervisors are not fully familiar with the workplace disciplinary system, due to a lack of training on it.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	There is no specific training for relevant supervisors on the Code elements and Employment Functions.
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 factory's grievance procedures and implementation are not adequate: (a) Suggestion/grievance boxes are located in the entrance/security check/bulletin board area of the factory, where workers converge and where there are security personnel and CCTV cameras. This location prevents workers from submitting grievances discreetly. (b) The suggestion boxes are made from a transparent acrylic material which does not provide confidentiality to workers. (c) There is no ongoing training on grievances.
Recommendation for Immediate Action	(a) Ensure that the suggestion boxes are located in secure and private areas free of security monitoring. (b) Ensure that suggestion boxes are made from non-transparent materials. (c) Conduct ongoing training on grievances.
Compliance Classifications	Immediate Action Required
Local Law	
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	There is no 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, unsafe working conditions, and raise health, safety or environmental concerns, since the factory does not have policy and procedures on anti-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 factory does not have procedures for addressing and remediation child labor, if it is found. 2. There are no procedures governing termination and retrenchment.
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	There are no 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
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	1. There is no policy or procedure on performance reviews to establish steps and processes, linkages to job grading, non-discrimination, written feedback, and compliance with legal requirements. 2. The facility conducts performance reviews only for workers who are up for promotion, not for all workers on a regular basis.
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	There are no written procedures on promotion, demotion and job reassignment.
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	1. Security agency workers are required to be in uniform. These required uniforms are not provided for free and cost workers up to PHP 2,250 (USD 40) per set. 2. Security agency workers must receive medical exams before beginning employment and annually. The cost of these exams (approx. PHP 400) is deducted from their pay.
Recommendation for Immediate Action	1. Ensure that required uniforms for work are provided to security agency workers free of charge. 2. Ensure that pre-employment and annual medical exams for security agency workers are free of charge.
Compliance Classifications	Immediate Action Required
Local Law	Occupational Safety and Health Standards 1967.01.

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 include recruitment, hiring & personnel development, termination & retrenchment, grievances or environmental protection.
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 has not established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.3.4

Benchmark Details	Records of disciplinary action must be maintained in the worker's personnel file.
Finding Details	Records of disciplinary actions are not maintained in the individual worker's personnel file.
Recommendation for Immediate Action	Maintain records of disciplinary actions in the applicable worker's personnel files.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	ER.18.1.1
Benchmark Details	The disciplinary system shall be applied in a fair and nondiscriminatory manner and include a management review of the actions by someone senior to the manager who imposed the disciplinary action.
Finding Details	The assessment found that disciplinary practices are not always implemented fairly at the facility: (a) At least 2 workers received warning letters for not wearing proper uniform, although the Company Code of Conduct (Employee handbook) does not stipulate discipline for not wearing proper uniform. (b) Warning letters issued in the factory's disciplinary process do not cite the offense and the policy/regulation being violated, as required by Company Code of Conduct. In addition, the issued warning letters do not mention whether the specific offense is a 1st offense, 2nd offense, etc.
Recommendation for Immediate Action	Implement fair and proper disciplinary action by: (a) Issuing warning letters only for misconducts that are regulated in Company Code of Conduct. (b) Citing the misconduct, the corresponding regulation, and full details in warning letters.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	ER.18.4

Benchmark Details	The disciplinary system shall include a third party witness during imposition, and an appeal process.
Finding Details	The factory's disciplinary procedures do not include workers' right to have a third-party witness during imposition of disciplinary actions. In practice, this right is not available to workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.6
Benchmark Details	The workplace shall commit to non-retaliation for all steps of the disciplinary process, including for a worker requesting a witness and filing an appeal of disciplinary action.
Finding Details	As there are neither policies nor procedures for non-retaliation at the factory, there is no system in place to prevent retaliation against or discrimination towards workers who appeal disciplinary decisions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

## Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID	FOA.15
Benchmark Details	Worker representatives shall have the facilities necessary for the proper exercise of their functions, including access to workplaces and office space where required by law.

Finding Details	The union is not provided with a specific office space with proper facilities to exercise their function. The union can only meet in the staff canteen.
Recommendation for Immediate Action	Provide specific office space with facilities for union to properly exercise their function.
Compliance Classifications	Immediate Action Required
Local Law	

### Harassment Or Abuse (H/A)

Benchmark ID	H/A.10.1.2
Benchmark Details	Body searches and physical pat downs shall only be undertaken when there is a specific, legitimate reason to do so and upon consent of workers, unless a state official with the power to do so (e.g. police officer) has ordered the search.
Finding Details	The factory conducts pat-down searches routinely, rather than only when necessary.
Recommendation for Immediate Action	Conduct pat-down searches only with a legitimate reason and upon workers' consent, rather than as a routine practice.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	H/A.10.1.3
Benchmark Details	Body searches shall not be undertaken in public and the person who undertakes the search shall be of the same sex as the person who is being searched.
Finding Details	The facility conducts routine pat-downs at the front doors of the building. Female security guards conduct pat-downs for all workers.



Recommendation for Immediate Action	Ensure that body searches and physical pat-downs are undertaken privately, and by someone of the same gender as the person being searched.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	H/A.11
Benchmark Details	Employers shall have a system to discipline supervisors, managers or workers who engage in any physical, sexual, psychological or verbal violence, harassment or abuse, through measures such as compulsory counseling, warnings, demotions, and terminations or a combination thereof regardless of whether such action was intended as a means to maintain labor discipline with a view to preventing the reoccurrence of violence and harassment, and facilitating their reintegration into work, where appropriate.
Finding Details	There is not an adequate system to discipline supervisors, managers, and workers who engage in any form of harassment or abuse. The factory's Code of Conduct (page 30, point 10) states that abusive language/acts or grave disrespect towards a superior will result in 3 days' suspension for a 1st offense and termination for a 2nd offense. However, the Code of Conduct does not discuss sanctions if the abuse is conducted by a superior towards workers.
Recommendation for Immediate Action	Ensure that factory's Code of Conduct applies the same and equal disciplinary action for supervisors, managers, and workers who engage in any form of harassment or abuse.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	H/A.5
Benchmark Details	Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline.

Finding Details	The assessment determined that a supervisor at the factory frequently shouts at workers who make mistakes in production. The workers do not understand the language used by this supervisor.
Recommendation for Immediate Action	Ensure that supervisors and managers do not use any form of screaming, yelling, shouting, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline.
Compliance Classifications	Immediate Action 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	There is not an adequate written policy on harassment or abuse, including a system to discipline supervisors, managers, and workers who engage in any form of harassment or abuse.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

## Health, Safety And Environment (HSE)

Benchmark ID	HSE.30.1
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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	There is policy regarding environmental protection, but there are no procedures.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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. Two areas do not have secondary exits: the canteen area (a separate large room with a seating capacity of 72) and the fabric warehouse (which has a travel distance of more than 20 meters to the nearest exit). Both areas only have one exit door. 2. Aisles on the 2nd floor in the sewing area are marked with lines. However, these lines do not have arrows leading to the direction of egress. 3. There are two versions of the printed evacuation maps in the sewing area on the 2nd floor, neither of which is correct. One is a map of the ground floor's layout, not the 2nd floor's. The other version shows the correct floor, but is not on photo-luminescent paper. 4. The directional signage leading from the production area to the assembly area is not clear. There are markings for building exits, but upon exiting the building, there are no signs to guide workers to the assembly area.

Recommendation for Immediate Action	1. Provide secondary exits in the canteen and fabric warehouse. 2. Ensure that the aisles on the 2nd floor in the sewing area are marked with arrows leading to the direction of egress. 3. Print evacuation maps on photo-luminescent paper and ensure that they are correct. 4. Provide markings of the full evacuation route from the building to the assembly areas. Ensure evacuation drills, trainings, and procedures cover the newly-marked route.
Compliance Classifications	Immediate Action Required
Local Law	Revised Implementing Rules and Regulations (RIRR) of the Fire Code of the Philippines (2019), Sec.10.2.17.2 (E) ; Revised Implementing Rules and Regulations (RIRR) of the Fire Code of the Philippines (2019), Rule 10, Chapter 2, Division 2 (E)
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	There are several areas with tripping hazards. There are gaps on the canal cover at the washing area and cracks in the floor of the canteen area. These cracks are within evacuation paths. In addition, one exit at the raw materials warehouse has a hump in the floor right at the doorway (about 10cm high).
Recommendation for Immediate Action	Ensure the that areas in walking path are sufficiently even to afford safe walking; ensure that there are no tripping hazards.
Compliance Classifications	Immediate Action Required
Local Law	Occupational Safety and Health Standards (1990), Rule 1063 1063.01: Stumbling Hazards.
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	At least two spray bottles for alcohol at the in-house laboratory are not labeled with their contents and main hazards.
Recommendation for Immediate Action	Ensure all chemical containers and bottles are labeled with their contents and main hazards.
Compliance Classifications	Immediate Action Required
Local Law	Occupational Safety and Health Standards (1990), Rule 1093.04
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	1. A heat transfer machine at the factory is activated using one button only. Another heat press machine activates automatically when the top part is aligned to the bottom part, rather than manually by the operator. 2. The assessment observed at least 4 operators of high-speed over-lock machines not using eye guards when operating their machines. 3. The facility does not keep a list of all equipment requiring lockout-tagout (LOTO). The facility does not implement lockout-tagout when maintaining those machines that should require it.
Recommendation for Immediate Action	1. Ensure that all machine operation processes are safe and require two-handed activation. 2. Ensure that all over-lock machine operators use plastic eye guards when operating their machines. 3. Maintain a list of all relevant equipment that requires lockout-tagout (LOTO) and implement LOTO when these machines are maintained.
Compliance Classifications	Immediate Action Required
Local Law	Occupational Safety and Health Standards (1990), Rule 1204.01 Machine Guard at Point of Operation.

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 latest record of a health and safety committee meeting is for February 28, 2023. Local regulations require that the committee meet at least once per month. 2. The load limit is not indicated on storage racks at the raw materials warehouse. 3. Records of working environment tests and measurements show failing results related to illumination, concentration of substances, temperature, and noise. 4. The factory has not conducted an asbestos assessment. As a result, there are no labels for materials in the factory potentially containing asbestos. 5. The facility held only one fire drill in the last 12 months (on July 11, 2022). Local law requires two drills each year.
Recommendation for Immediate Action	1. Ensure that the health and safety committee conducts meeting at least once a month. 2. Indicate load limits on storage racks. 3. Ensure that Working Environment Measurements test results are within the acceptable measurements. 4. Engage with 3rd party experts to conduct an asbestos assessment and put labels on any material in the factory containing asbestos. 5. Conduct evacuation drills twice a year, as local law requires.
Compliance Classifications	Immediate Action Required
Local Law	Occupational Safety and Health Standards (1990), Rule 1077.03 DOLE OSH Standards 1948: Alarm Systems and Fire Drills Fire Protection and Control 1948.03.
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	There is no safety information available for contractors and visitors.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	1. The factory has not determined which areas of the premises are considered to be confined spaces. As a result, the factory does not have defined procedures for entering confined spaces (ensuring a safe atmosphere, rescue equipment ready to use, trained observer present). 2. Elevated work areas (such as work areas for maintaining roofs and the external cargo lift) are not properly marked with signs to warn of hazards and require PPE.
Recommendation for Immediate Action	1. Establish procedures on confined spaces. Determine the locations of confined spaces in the premises, maintain this list, and mark all confined spaces with a sign "do not enter without permit" to ensure that there is no unauthorized entry. 2. Mark all elevated work areas with safety precautions such as signs warning of fall hazard signs and requiring PPE.
Compliance Classifications	Immediate Action Required
Local Law	Implementing Rules and Regulations (IRR) of Republic Act No. 9514
Benchmark ID	HSE.18.2
Benchmark Details	Medical staff shall be fully licensed and recognized under applicable national rules and regulations.
Finding Details	The facility's nurse does not have the required OHNAP certificate. In addition, the facility's dentist does not have the required OSH certificate.

Recommendation for Immediate Action	Ensure that the nurse obtains an OHNAP certificate and that the dentist obtains an OSH certificate.
Compliance Classifications	Immediate Action Required
Local Law	DO 198 Section 16. Safety and Health Training
Benchmark ID	HSE.30.2.5
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: procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies
Finding Details	There are procedures for reporting accident and injury, but these procedures do not cover reporting death, illness, or environmental emergencies to the proper authorities.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.30.2.4
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: procedures that enable workers to raise health, safety, and environmental concerns.
Finding Details	There are no procedures for workers to raise health, safety and environment concerns and to protect workers who do so from retaliation or discrimination.



Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.16
Benchmark Details	Workers shall not suffer any negative consequences for refusing to work with machinery, equipment or tools that are not properly guarded or reasonably considered unsafe.
Finding Details	The factory does not have procedures for workers to refuse to perform work under unsafe conditions. As result, workers have not received communication about this right.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	There are no trainings for workers with special/high-risk work responsibilities such as electrical work, work in confined spaces, work requiring lockout/tagout, and work in elevated areas.
Recommendation for Immediate Action	Conduct safety trainings for all workers whose job roles include special/high-risk responsibilities.
Compliance Classifications	Immediate Action Required

Local Law	Occupational Health and Safety Standards, Rule 1090 - Hazardous Materials (1990), Sec. 1093.12.
<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 facility's policies and procedures on hours of work do not include the topic of exceptional circumstances that may require additional hours of work.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	1. There is no provision for victims of violence against women and children to take leave from the facility, as is legally required. 2. The security agency at the factory provides paternal leave to its employees, but requires an ultrasound and the mother's medical records to be submitted. Under local law, only marriage and birth certificates should be required for paternity leave.
Recommendation for Immediate Action	1. Arrange to provide leave for victims of violence against women and children. 2. Arrange paternity leave with only marriage and birth certificates as documentation.

Compliance Classifications	Immediate Action Required
Local Law	Leave For Victims of Violence Against Women and Their Children: RA 9262 (Section D); Paternity Leave: RA 8187 (Section C)
Benchmark ID	HOW.9.2
Benchmark Details	Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances sufficiently in advance to allow workers to make alternative plans.
Finding Details	1. On June 23 and 29, 2022, workers signed overtime agreement forms for overtime lasting until 8:00pm. Overtime, however, extended beyond 8:00pm on both days. 2. In cases of exceptional circumstances requiring additional hours of work, there is no evidence that the factory has taken reasonable steps to inform workers of the nature and potential duration of the circumstances. In 2022, for example, workers worked excessive overtime due to production needs without any indication of reasonable steps on the factory's part.
Recommendation for Immediate Action	1. Collect and save signed agreements from workers prior to overtime hours. Workers must agree to the entire period of overtime to be worked. 2. Take all reasonable steps to inform workers of the nature and potential duration of special circumstances that require additional hours of work.
Compliance Classifications	Immediate Action Required
Local Law	
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	Workers' hours are not kept under 60 hours per week. (a) The assessment determined that approximately 10% of workers in the sewing department worked double shifts (from 7:00am until 3:30pm the following day) on June 23 and 29, 2022. As result, their total weekly hours reached 82.5 hours, including work on the prior Sunday (June 19, 2022). (b) The assessment determined that approximately 40% of workers from cutting, preparation, sewing, finishing, and quality control worked excessive hours, ranging from 60.5 to 82.5 hours per week, for 1-3 weeks a month between June 2022 and November 2022.
Recommendation for Immediate Action	Limit total weekly hours to not exceed 60 hours.
Compliance Classifications	Immediate Action Required
Local Law	
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	1. The canteen operator does not maintain time records for the 5 canteen workers. 2. The security agency's time records were not available to review at the time of assessment. 3. The facility's time recording system is unable to capture overtime hours that end after 12:00 midnight. For instance, workers performed overtime or or double shifts lasting past 12:00 midnight on June 23, 2022, clocking out early the morning of June 24. Records showed the workers clocking out at the correct time of day, but the date of the clock-out was June 23 rather than 24.
Recommendation for Immediate Action	1. Ensure that all workers' time, regardless of their employment status, is fully documented by timecards or other mechanical or electronic recording systems. 2. Keep time records for the security agency available for review. 3. Ensure that the time recording system accurately reflects the hours of work.

Compliance Classifications	Immediate Action Required
Local Law	Omnibus Rules Implementing the Labor Code (1989), Book III Rule X, Sec. 7
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	The assessment found that approx. 114 workers from sewing, finishing and quality assurance worked 13 consecutive days without a rest day from June 13 to June 25, 2022.
Recommendation for Immediate Action	Provide at least 24 consecutive hours of rest in every seven- day period.
Compliance Classifications	Immediate Action Required
Local Law	

## Nondiscrimination (ND)

Benchmark ID	ND.3
Benchmark Details	Recruitment and employment policies and practices, including job advertisements, job descriptions, application and interview questions and job performance/evaluation policies and practices shall be free from any type of discriminatory bias.

Finding Details	The factory's manpower acquisition forms indicate that department heads aim to hire new workers based on specific gender, physical features, and ages. For example: (a) Women below 30 years of age for hand tagger and folder positions and men for packing positions (packing department) (b) Men for numbering, spreader and checker positions and women for heat transfer positions (cutting department) (c) "Strong" men in the washing department (d) "Young girls" for folding positions and "big boys" for presser and packer positions (finishing department).
Recommendation for Immediate Action	Make recruitment and employment decisions solely on the basis of a person's qualifications (education, training, experience, demonstrated skills and/or abilities) as they relate to the inherent requirements of a particular job. Avoid any practices with any type of discriminatory bias, including by removing language from written forms that poses a risk of discrimination.
Compliance Classifications	Immediate Action Required
Local Law	Labor Code of the Philippines (1974), Sec. 140

