

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

21 Aug 2023



Factory Information

FLA Affiliates	Outerknown
Country	Sri Lanka
Number of Workers	1075

Understanding this Report

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

FLA Code Element

Number of Violations

FLA Code Element	Number of Violations
Compensation (C)	4
Employment Relationship (ER)	15
Freedom Of Association And Collective Bargaining (FOA)	1
Health, Safety And Environment (HSE)	27
Hours Of Work (HOW)	5

Assessment Information

Assessor	Insync
Assessment Date	21 Aug 2023

Assessment Purpose

Factory Assessment (In-Person)

ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.16.1
Benchmark Details	All compensation records, including wages and benefits whether in cash or in-kind, must be properly documented and their receipt and accuracy must be confirmed by the relevant worker in writing (e.g. signature, thumbprint).
Finding Details	Record of deductions made from wages of 8 outsourced security guards is not maintained in the factory. In absence of complete documentation, it cannot be verified if deductions made are accurate and comply with legal requirements.
Recommendation for Immediate Action	Ensure record of deductions made from wages of outsourced security guards is maintained and monitored by the factory.
Compliance Classifications	Immediate Action Required
Local Law	Board of Investments - Labour Standards and Employee Relations Manual - (3) WAGES AND OVERTIME PAYMENT - Section 3.2.5 - Proper wages records indicating basic wage, allowances, overtime Sunday/Public Holiday earnings and deductions shall be maintained and kept in the Enterprise, as required by the relevant law.
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. Cost of uniform of outsourced security guards which includes shoes, belt, trousers and shirts is required to be paid by individual guards and not the service provider. 2. Security service provider withholds LKR 2500 from monthly wages of new security guards until a police verification report is provided by the new guard. Post receiving the report the amount is returned. Record of such refunds is not maintained or monitored by the factory to confirm if the amount was paid back to the guards. 3. Records pertaining to wage advances and deduction for welfare activities were not available for outsourced security guards to verify legal compliance.
Recommendation for Immediate Action	1. Ensure outsourced security guards should not be required to pay for uniform which includes shoes, belt, trousers and shirts and is provided free of cost by the service provider. 2. Ensure documented evidence is maintained and monitored by factory to ensure outsourced security guards are refunded amounts held by the security service provider until submission of police verification report. 3. Ensure records pertaining to wage advances and deduction for welfare activities is maintained and monitored by factory for outsourced security guards .
Compliance Classifications	Immediate Action Required
Local Law	No legal reference.
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	As a systematic practice, terminal dues are paid within 2 to 3 weeks from date of leaving employment instead of paying within 2 days from leaving employment.
Recommendation for Immediate Action	Ensure terminal dues are paid to workers within 2 days post leaving employment.
Compliance Classifications	Immediate Action Required

Local Law	Wages board ordinance No 27 of 1941-Section 2 c: - If on any date he terminates the employment of a worker or any worker lawfully terminates employment under him, he shall, before the expiry of the second working day after that date, pay the wages due to that worker.
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	Probation period is for 6 months as stated in clause 3 in the letter of appointment.
Recommendation for Immediate Action	Ensure probation period does not exceed 3 months.
Compliance Classifications	Sustainable Improvement Required
Local Law	No legal reference.

Employment Relationship (ER)

Benchmark ID	ER.17.5
Benchmark Details	Employers shall have in place procedures to track the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workforce.

Finding Details	<p>1. Factory does not have procedures to track all the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workforce 2.a Factory documents grievances of general concerns (E.g quaiity of food in canteen, PA system not audible in certain areas of the factory) with information maintained on action taken to address the grievances. Names of workers who report grievances is not recorded to maintain confidentiality. Information on action taken is posted on notice boards. Grievances pertaining to individual workers is not logged at all though addressed as confirmed by management and workers interviewed. In absence of documentation, it cannot be verified if all grievances reported by individual workers are addressed. 2.b Factory has a GBV (Gender Based Violence) program where workers can reach out to top management located at head office. Workers can also report using the public postal system. Management shared that they received grievances about supervisors not approving leaves, or use of waste food disposal system. No documentation is maintained for action taken and there is no feedback system for workers to know if their grievances are addressed.</p>
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER 17.1
Benchmark Details	<p>Employers shall ensure that all supervisors are trained in national laws, regulations, and the Delta Code, and the appropriate practices to ensure compliance.</p>
Finding Details	Please see finding ER.17.5.
Recommendation for Immediate Action	Ensure that all grievances reported are logged.
Compliance Classifications	Sustainable Improvement 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	In past 12 months, training was provided to 931 out of 1078 supervisors. Factory has a plan to train all workers however timelines are not defined.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	Managers and supervisors have some awareness on disciplinary practices however are not fully aware as this is addressed by HR Team.
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	In past 12 months, training was provided to 22 out of 48 supervisors. Factory plans to train the rest of supervisors however timelines have not been defined.
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	Please see finding ER.17.5.
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. Written procedures on recruitment does not include the need to conduct orientation programs, information on documentation that is required to be maintained, assigning responsible persons and need for trainings. Written procedures on recruitment does not include the steps that will be followed during the process like - (1) Review of application, past medical history and proof of age (2) requirement for new recruits meet work study team to assess skills and duration of such assessments (3) Returning workers back to HR team for information on hiring date and (4) Hiring formalities to be completed prior to start of work. 2. Factory does not have written procedures on Non-Discrimination. 3. Factory's written procedures on child labor, do not include the need for training of employees and assigning responsibilities. 4. Factory does not have written policy on Termination and Retrenchment. Written procedure does not provide information on methods of calculation of terminal dues, times lines and mode of payment of terminal dues.
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	Factory has a written document which lists the various types of misconduct and defines progressive disciplinary steps that will be taken. Information on disciplinary action against each type of misconduct is not defined. There is no information on requirement to maintain documentation, assigning responsible persons and the requirement for trainings.
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	Factory does not have written policy and procedures on personnel development.
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. Factory does not have written policies and procedures on performance reviews. 2. Performance is evaluated only for production workers and is not evaluated for non-production workers.
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	1.Factory does not have written policy and procedures for promotions, demotions and job reassignments. 2.Factory does not have a formally defined procedure when considering workers for promotions to supervisors. Workers with best skill levels A+ (based on documented evaluations) are shortlisted for promotions. The factory manager, industrial engineer, operations manager and HR manager discuss internally and select 4 workers at a time from the list. Capabilities of these 4 workers are tested by assigning them responsibilities as line in-charge for 3 months. Based on observations and verbal feedback from production team, 1 worker is selected and promoted as supervisor.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

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	Affiliate's Code is posted and available to workers in Building #1 in English and not in local languages (Sinhala and Tamil). The code is not posted and available to workers in Building #6.
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. Letter to communicate promotion with change in designation and increase in salary was not provided to 4 out of 6 sampled workers though workers are informed verbally post completion of evaluation process. Management shared that they missed to provide the letter to these workers. 2. Letter to communicate change in grades from lower to higher grades with increased wages provided to workers does not include information for clarity and understanding on earlier grade level and revised grade as was noted on 7 out of 7 sampled letters reviewed, and workers had not signed the letter to acknowledge receipt and acceptance. Such letters were not provided to 11 out of 18 sampled workers. 3. Terms of employment in appointment letter states a 5.5 days work week (7.30 am to 4.30 pm on weekdays and 7.30 am to 1.45 pm on Saturdays) however workers work 5 days a week (Monday through Friday) on 9 hourly shift. 4. Appointment letter signed with sewing machine operators on MICA machines does not include the requirement to work night shifts and also working hours during night shift is not recorded. Factory has obtained consent from these female workers to work on night shifts and workers are free to refuse work on night shifts. Working hours of outsourced security guards is not defined in their appointment letters. 5. Appointment letter signed by outsourced security guards reflects retirement age of 55 years against 60 years as legally defined. 6. Agreement between factory and security service provider does not include any information in legal requirements (Working hours, Wages and Benefits). 7. Factory name changed from EAM Maliban Textiles Pvt Ltd to EAM Maliban Textiles Mahiyanganaya (Pvt) Ltd effective August 1, 2023. Factory registration certificate is updated however the name is not updated with labour department and formal written communication is not sent to all employees confirming change in name of factory (employer) and with no change on terms of employment. 8. 100% of sampled workers interviewed were not completely aware of the grading system when workers are upgraded based on performance. 9. While appointment letters with terms of employment for Tamil speaking workers are in Tamil language, Increment letter and grade change letter are in Sinhala language and these workers do not read and understand some basic spoken Sinhala.

<p>Recommendation for Immediate Action</p>	<p>1. Ensure letter to communicate change in designation and increase in salary is provided to all workers as applicable. 2. Ensure information on change of grades is provided to workers as when applicable. 3. Ensure information on work timings is accurately recorded on appointment letters. 4. Ensure appointment letter signed with workers includes information on all shifts worked. 5. Ensure terms of employment recorded in appointment letter of outsourced security guards complies with legal requirements. 6. Ensure agreement with outsourced service provider includes information on all legal requirements. 7. Ensure workers employment contracts signed with workers provided accurate information of employer. 8. Ensure all workers are made aware of the grading system. 9. Ensure all employment documentation is in a language read and understood by workers.</p>
<p>Compliance Classifications</p>	<p>Immediate Action Required</p>
<p>Local Law</p>	<p>1. Board of Investments - Labour Standards and Employment Relation Manual - 1- Employment - Section 1.6 - Contract of employment - A written contract of employment embodying terms and conditions of service including the designation or category of the employee, normal hours of work, rate of pay, period of training, if any, probationary period, leave, holidays, and superannuation contributions, has to be issued to every worker and acknowledgement of receipt obtained by the employer. 2. MINIMUM RETIREMENT AGE OF WORKERS ACT, No. 28 OF 2021-Published as a Supplement to Part II of the Gazette of the Democratic Socialist Republic of Sri Lanka of November 19, 2021 - 2. Notwithstanding the provisions of any other written law, a contract of service, collective agreement or any other form of contract of service, the minimum retirement age of a worker who has not attained the age of fifty two years on the date of operation of this Act or who is recruited after the date of coming into operation of this Act shall be upon such worker attaining the age of sixty years (hereinafter referred to as the "minimum retirement age"</p>
<p>Benchmark ID</p>	<p>ER.3.1</p>

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	Orientation program includes basic information on wages and benefits, hours of work, discipline, grievance system and health and safety. The program does not cover other code elements pertaining to personal development, evaluation and promotions, termination and retrenchment, child labour , forced labour, freedom of association, non discrimination and environment.
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	Workers are not consulted or integrated in the decision-making process of aspects concerning workplace and working conditions (e.g., creation or revision of policies and procedures, changes on production processes, hours of work, etc.).
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID	FOA.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning freedom of association and collective bargaining. national laws, rules, and procedures protecting the rights of workers to organize and bargain collectively. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.
Finding Details	Written procedures on Freedom of Association do not include information on formation of JCC (Joint Consultative Committee - worker representative committee), its functions and tenure in office. Procedures include information on grievance systems and reporting channels. Procedures do not include the need to assign responsibilities and train employees.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Health, Safety And Environment (HSE)

Benchmark ID	HSE.6.2
Benchmark Details	A sufficient number of workers shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training.
Finding Details	1. Only 1 female worker out 12 female workers working in the night shift is trained to handle fire extinguishers. This could be a risk if the trained worker is not at work. 2. Responsibilities like evacuation of special category of workers, communication to hospital and police and to top management are not defined and assigned to firefighting team. 3. Specific responsibilities are not assigned to members of firefighting team and hence specific training is not provided.

Recommendation for Immediate Action	1. Ensure adequate number of persons trained in first aid are available during night shifts. 2. Ensure responsibilities are assigned to fire team. The team is trained on use of extinguishers. 3. Ensure persons with special responsibilities are trained on their responsibilities.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance-Sec. 50(1)-(3)- (3) Each first-aid box or cupboard shall be placed under the charge of a responsible person who shall, in the case of a factory where more than 50 persons are employed, be trained in first-aid treatment, and the person in charge shall always be readily available during working hours. A notice shall be affixed in every workroom stating the name of the person in charge of the first-aid box or cupboard provided in respect of that room.
Benchmark ID	HSE.5.3
Benchmark Details	Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.
Finding Details	Log of evacuation drills conducted on August 8, 2022, and February 14, 2023, does not include information on number of workers at work, number of workers evacuated and if special category of workers participated in the drill.
Recommendation for Immediate Action	Ensure log of evacuation drills includes information on number of workers at work, number of workers evacuated and if special category of workers participated in the drill.
Compliance Classifications	Immediate Action Required
Local Law	BOARD OF INVESTMENT- EMPLOYEE SAFETY TRAINING - 9.16 - A plan for the evacuation of employees in an emergency such as fire or an explosion to be prepared and practiced so that all persons employed are familiar with the routine to be followed in such situation.
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. Small pockets of areas in separate locations and on driveways within the factory compound are designated as assembly areas however the designated areas may not be adequate to accommodate all workers. This may be a risk to account for all workers during an evacuation. 2. Evacuation route markings in all workers areas are visible except for those in the stitched and washed garment receiving area in Building #6.
Recommendation for Immediate Action	1. Ensure adequate area is available at assembly areas to accommodate workers. 2. Ensure evacuation directions are clearly marked and prominently visible.
Compliance Classifications	Immediate Action Required
Local Law	Factory ordinance No. 42 of 1942 Section 41(8) - The contents of any room in which persons are employed, shall be so arranged or disposed that there is free passage – way for all persons employed in the room to a means of escape in case of fire.
Benchmark ID	HSE.5.1.6
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: evacuation procedures and fire drills
Finding Details	Factory does not conduct an assessment after the drill to learn how to improve the evacuation process.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
Benchmark ID	HSE.5.1.3
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 emergency lighting
Finding Details	Emergency light is missing above rear exit from finishing section and 2nd exit from MICA machine area.
Recommendation for Immediate Action	Ensure emergency lights are installed above rear exit from finishing section and 2nd exit from MICA machine area.
Compliance Classifications	Immediate Action Required
Local Law	Section 41 (6) Factory ordinance No 45 of 1942 -Every window, door, or other exit affording means of escape in case of fire or giving access thereto other than the means of exit in ordinary use, shall be distinctively and conspicuously marked by a notice printed in red letters of an adequate size.
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 emergency alarm system is not centralized. Alarms in Building #1 & building #6 (main production buildings) are separate with control panels in the security guards' cabins near each of the buildings.
Recommendation for Immediate Action	Ensure that alarm system is centralized for use and prompt action in case of an emergency.
Compliance Classifications	Immediate Action Required

Local Law	Factories Ordinance - Sec. 41(7) - Where in any factory more than 20 persons are employed in the same building, or explosive or highly inflammable materials are stored or used in any building in which persons are employed, effective provisions shall be made for giving warning in case of fire, which shall be clearly audible throughout the building.
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	Trolleys with stitched and washed garments were kept on walk ways in receiving area and between garment storage racks in the garment receiving area. Access to passage from few sewing stations is partially restricted with hanger stands in the sewing sections.
Recommendation for Immediate Action	Ensure walkways and access to passages from workstations are maintained clear at all times.
Compliance Classifications	Immediate Action Required
Local Law	Factory ordinance No. 42 of 1942 Section 41(8) - The contents of any room in which persons are employed, shall be so arranged or disposed that there is free passage – way for all persons employed in the room to a means of escape in case of fire.
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	Spill response kit is not provided near diesel tanks. Stains from oil spills / leaks were seen on the ground under the inlet valve of the tanks.

Recommendation for Immediate Action	Ensure spill response kit is provided near diesel tanks.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002) –Section 45 - No machinery of any type or description which Regulation of is not expressly referred to in this Part shall (b) be operated except in such manner and with such safeguards and precautionary measures as may be prescribed by regulation for the better protection of persons or property from injury or damage likely to be caused by such machinery.
Benchmark ID	HSE.22.1
Benchmark Details	All food made available to workers shall be prepared, stored, and served in a safe and sanitary manner in accordance with all applicable laws and international standards.
Finding Details	Food handlers were not using hair cap, nose mask, aprons and hand gloves while serving food to workers.
Recommendation for Immediate Action	Ensure food handlers use hair cap, nose mask, aprons and hand gloves while serving food to workers.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002) –Section 45 - No machinery of any type or description which Regulation of is not expressly referred to in this Part shall (b) be operated except in such manner and with such safeguards and precautionary measures as may be prescribed by regulation for the better protection of persons or property from injury or damage likely to be caused by such machinery.
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. Assessment on heat stress was conducted on November 14, 2022 and uncomfortable thermal environment was detected in finishing section. Management shared that additional exhaust fans are installed to address the concerns. A re-assessment was not conducted to ensure comfortable work environment in finishing section. 2. Lint and cobwebs were seen on emergency lights and on speakers of public address system installed in work areas.
Recommendation for Immediate Action	1. Ensure comfortable temperatures are maintained in all work areas. 2. Ensure electrical installations are kept clean and free of lint accumulation.
Compliance Classifications	Immediate Action Required
Local Law	1. Factories Ordinance, Sec. 11(1); 57;-Effective provision shall be made for securing and maintaining a reasonable temperature in each workroom, but no method shall be employed which results in the escape into the air of any workroom of any fume of such a character and to such extent as to be likely to be injurious or offensive to persons employed therein. 2. Factories Ordinance 1942 (Amended in 2002) -58b(1) In every factory where electrical energy is generated, transformed, distributed, or used and in every premises referred to in section 80, every electrical apparatus, fitting, and conductor-(b) shall be so constructed, installed, protected, worked and maintained as to prevent, as far as practicable, danger to persons working in the factory.
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.

Finding Details	<p>1. Traffic lanes and walk paths are not marked at all inside the factory. 2. Locking arrangement on wheels 3 of 3 platform ladders used in garment storing areas and warehouse were not functional to prevent ladders from moving when in use. This could be a risk for accidents when the ladders are in use. 3. Emergency stop switch of one cargo lift near loading bay, tested at random was not functional. 4. Needle guards on 100% of sewing machines are pushed upwards rendering them ineffective in preventing injury to fingers of workers.</p>
Recommendation for Immediate Action	<p>1. Ensure traffic lanes and walk paths are marked at all inside the factory. 2. Ensure locking arrangement on wheels of all platform ladders used in garment storing areas and warehouse are functional to prevent ladders from moving when in use. This could be a risk for accidents when the ladders are in use. 3. Ensure Emergency stop switch of all cargo lifts is maintained functional at all times. 4. Ensure needle guards on 100% of sewing machines maintained in place to prevent injury to fingers of workers.</p>
Compliance Classifications	Immediate Action Required
Local Law	<p>Factories Ordinance 1942 (Amended in 2002) –Section 45 - No machinery of any type or description which Regulation of is not expressly referred to in this Part shall (b) be operated except in such manner and with such safeguards and precautionary measures as may be prescribed by regulation for the better protection of persons or property from injury or damage likely to be caused by such machinery.</p>
Benchmark ID	HSE.6.1
Benchmark Details	<p>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.</p>

Finding Details	1. Firefighting team is not provided with PPE like breathing equipment, safety shoes, hand gloves, helmets. 2. Fire hydrants were inspected by 3rd party external firm on February 2, 2023, however the report is dated February 6, 2022, and signed by a person on behalf of the technical person of the firm. It cannot be verified if the hydrants were inspected by the technical person or if the person who signed the report was technically qualified to inspect the hydrants.
Recommendation for Immediate Action	1. Ensure adequate PPE is provided to firefighting team. 2. Ensure fire hydrants are inspected by qualified persons.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002) –Section 45 - No machinery of any type or description which Regulation of is not expressly referred to in this Part shall (b) be operated except in such manner and with such safeguards and precautionary measures as may be prescribed by regulation for the better protection of persons or property from injury or damage likely to be caused by such machinery.
Benchmark ID	HSE.18.2.1
Benchmark Details	An appropriate number of medical staff shall be on duty during all working hours, including any type of overtime, as required under national law.
Finding Details	Medical facility is not available during night shifts. A nurse resides in the management staff accommodation inside the factory compound and is called for in case of emergencies. 12 female workers, 1 male supervisor and 1 male mechanic work on night shift.
Recommendation for Immediate Action	Ensure medical facility is available during night shift when female workers work.
Compliance Classifications	Immediate Action Required

Local Law	Board of Investment, Labour Standards and Relations, 2.2- Employment of female workers on night work from 10pm to 6am on the following day will be allowed as a third shift subject to the following conditions:- 2.2.8. canteen, medical, and restroom facilities to be made available.
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. Factory does not have an approved plan for 'means of escape' in case of an emergency evacuation. 2. Factory has not obtained certificate of 'Good Manufacturing Practices'(GMP). Inspection of the canteen was scheduled in September 2023. 3. Both forklift operators do not hold a license to operate the forklifts. This could be a risk for accidents.
Recommendation for Immediate Action	1. Ensure an approved plan for 'means of escape' in case of an emergency evacuation is maintained in the factory. 2. Ensure certificate of 'Good Manufacturing Practices'(GMP) is obtained and maintained in the factory. 3. Ensure both forklift operators have a license to operate the forklifts.
Compliance Classifications	Immediate Action Required

Local Law	<p>1. Factories Ordinance -Means of escape in case of fire section 39: (1) Every factory to which this section applies shall be certified by a Factory Inspecting Engineer as being provided with such means of escape in case of fire for the persons employed therein as may reasonably be required in the circumstances of each case... (2) All means of escape specified in the certificate as aforesaid shall be properly maintained and kept free from obstruction. 2. Section 12(2) Consumer Affairs Authority Act, No. 09 of 2003, No trader, caterer, supplier of processed food and/or any other person/persons shall engage in the business of catering or other similar or connected activity/ activities unless they obtain a Good Manufacturing Practices (GMP) certification based on the Sri Lanka Standard Code of Hygienic Practice for Catering Establishments (SLS 956) published by the Sri Lanka Standards Institution (SLSI). 3. Factories Ordinance 1942 (Amended in 2002) –Section 45 - No machinery of any type or description which Regulation of is not expressly referred to in this Part shall (b) be operated except in such manner and with such safeguards and precautionary measures as may be prescribed by regulation for the better protection of persons or property from injury or damage likely to be caused by such machinery.</p>
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	<p>1. Twelve workers in special sewing machine section (MICA) are provided earplugs as they work in high noise area for at least 9 hours every day. Factory does not conduct an audiometric test to ensure there is no risk to health like impact on hearing capabilities. 2. Factory does not provide training to Health & Safety committee members. 3. Load capacity is not marked on fabric storage racks to warn workers from overloading of racks resulting in accidents. 4. Smoke detectors are not installed in Electric Panel room.</p>
Recommendation for Immediate Action	<p>1. Ensure audiometric tests are conducted periodically for workers who work on MICA machines. 2. Ensure Health & Safety committee members are trained periodically. 3. Ensure load capacity is marked on fabric storage racks. 4. Ensure smoke detectors are installed in Electric Panel room.</p>

Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002) –Section 45 - No machinery of any type or description which Regulation of is not expressly referred to in this Part shall (b) be operated except in such manner and with such safeguards and precautionary measures as may be prescribed by regulation for the better protection of persons or property from injury or damage likely to be caused by such machinery.
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	Documented evidence of trainings provided to contractors is not maintained. Management shared that safety instructions are provided verbally.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	Safety instructions are not posted on or near machinery used in the factory.
Recommendation for Immediate Action	Ensure safety instructions are posted on machinery. These should be in local language.

Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002) –Section 45 - No machinery of any type or description which Regulation of is not expressly referred to in this Part shall (b) be operated except in such manner and with such safeguards and precautionary measures as may be prescribed by regulation for the better protection of persons or property from injury or damage likely to be caused by such machinery.
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. Entry to confined spaces is covered with metal covers however the areas are not fenced and signs are not posted near 2 out of 3 confined spaces to warn workers. 2. Edge of loading ramp in building #6 (finishing building) is not fenced to prevent accidental fall of workers when the loading bay is not in use. A staircase with 6 steps on the side of the ramp at the end of an incline, does not have handrails to assist in use and prevent injuries from accidental fall. 3. Equipment and tools used by maintenance teams are not inspected periodically to ensure safe usage.
Recommendation for Immediate Action	1. Ensure entry to confined spaces is fenced and signs are posted near all confined spaces to warn workers. 2. Ensure safety fence is installed at the edge of loading ramp in building #6 (finishing building) to prevent accidental fall of workers when the loading bay is not in use. Ensure handrails are installed on staircase with 6 steps on the side of the ramp at the end of incline, to assist in use and prevent injuries from accidental fall. 3. Ensure equipment and tools used by maintenance teams are inspected periodically to ensure safe usage.
Compliance Classifications	Immediate Action Required

Local Law	Factories Ordinance 1942 (Amended in 2002) –Section 45 - No machinery of any type or description which Regulation of is not expressly referred to in this Part shall (b) be operated except in such manner and with such safeguards and precautionary measures as may be prescribed by regulation for the better protection of persons or property from injury or damage likely to be caused by such machinery.
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	Factory does not provide specific training on ergonomics and lifting techniques.
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	Drinking water points and hand wash points in drinking areas are common and in close proximity to each other. This could be a risk for contamination of drinking water when a worker drinks water while the worker adjacent to him/her is washing hands or used meal plates. Such instances were noted during the visit to the canteen during lunch break.
Recommendation for Immediate Action	Ensure adequate arrangement is made for workers to drink water without the risk of contamination.

Compliance Classifications	Immediate Action Required
Local Law	Section No. 46 (1) Factory ordinance No. 45 of 1942-There shall be provided and maintained at suitable points conveniently accessible to all persons employed an adequate supply of wholesome drinking water from a public main or from some other source approved in writing by the District Factory Inspection Engineer for the district.
Benchmark ID	HSE.5.4
Benchmark Details	The emergency evacuation plan (EEP) includes procedures for notifying local community authorities in case of accidental discharge or release of chemical/waste products or any other environmental emergency.
Finding Details	Factory does not have a system to respond to unexpected environmental emergencies like gas leaks.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	Risk assessment does not include information on number of persons exposed to risk and the frequency of possible accidents or injuries. Controls do not define administrative and engineering controls that will be implemented to reduce risks. Further there is no information on responsible person to monitor.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	Factory tracks all injuries however does not investigate to identify root causes. There have been no accidents.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	Helmets and safety ropes used by maintenance team are not inspected periodically to ensure safe usage.
Recommendation for Immediate Action	Ensure helmets and safety ropes used by maintenance team are inspected periodically to ensure safe usage.

Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002) –Section 45 - No machinery of any type or description which Regulation of is not expressly referred to in this Part shall (b) be operated except in such manner and with such safeguards and precautionary measures as may be prescribed by regulation for the better protection of persons or property from injury or damage likely to be caused by such machinery.
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	1. One of the two forklift vehicle operators was not using a helmet and safety shoes at all when operating the vehicle while the other operator had placed the helmet on his head and had not fastened the strap under this chin for effective use of the helmet. Two of two workers loading cut and split firewood in bins were not using had gloves to prevent injury to their fingers. 2. Except for training on use of fall equipment (helmet and safety rope) by workers from fabric stores, factory does not maintain documented evidence of training on use of PPE by workers from other departments (Production workers and maintenance team). Management shared that information on use of PPE is shared verbally with workers.
Recommendation for Immediate Action	1. Ensure forklift vehicle operators use helmet and safety shoes when operating the vehicle. 2. Ensure that training is provided for all workers and is documented.
Compliance Classifications	Immediate Action Required

Local Law	Factories Ordinance 1942 (Amended in 2002) –Section 45 - No machinery of any type or description which Regulation of is not expressly referred to in this Part shall (b) be operated except in such manner and with such safeguards and precautionary measures as may be prescribed by regulation for the better protection of persons or property from injury or damage likely to be caused by such machinery.
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	Factory does not provide safety training to designated workers with special/high-risk responsibilities (working with laser or electrical issues, confined space, lockout/tagout, work at heights).
Recommendation for Immediate Action	Ensure safety training is provided to designated workers with special/high-risk responsibilities (working with laser or electrical issues, confined space, lockout/tagout, work at heights).
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002) –Section 45 - No machinery of any type or description which Regulation of is not expressly referred to in this Part shall (b) be operated except in such manner and with such safeguards and precautionary measures as may be prescribed by regulation for the better protection of persons or property from injury or damage likely to be caused by such machinery.
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. Sitting area is not provided to workers with standing jobs. 2. Checking tables are not adjustable in height to suit height of workers. 3. Anti-Fatigue mats were missing in approx. 2% of workstations in checking section and workers were seen standing barefoot on the floor.
Recommendation for Immediate Action	1. Ensure sitting area is provided to workers with standing jobs. 2. Ensure checking tables are adjustable in height to suit height of workers. 3. Ensure anti-fatigue mats are provided in all workstations in checking section.
Compliance Classifications	Immediate Action Required
Local Law	1. BOI GUIDELINES FOR FACTORY BUILDINGS –(3) FACILITIES TO WORKERS: 3.4 Facilities for Resting -There shall be provided and maintained for the use of all female workers whose work is done standing, suitable facilities for resting. Sufficient to enable them to take advantage of any opportunities for resting which may occur in the course of their employment 2. Factories Ordinance 1942 (Amended in 2002) –Section 45 - No machinery of any type or description which Regulation of is not expressly referred to in this Part shall (b) be operated except in such manner and with such safeguards and precautionary measures as may be prescribed by regulation for the better protection of persons or property from injury or damage likely to be caused by such machinery. 3. Factories Ordinance 1942 (Amended in 2002) –Section 45 - No machinery of any type or description which Regulation of is not expressly referred to in this Part shall (b) be operated except in such manner and with such safeguards and precautionary measures as may be prescribed by regulation for the better protection of persons or property from injury or damage likely to be caused by such machinery.

Hours Of Work (HOW)

Benchmark ID	HOW.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.

Finding Details	<p>1. Few workers from sewing and finishing sections were seen working during lunch breaks. Factory does not have a system to ensure workers do not work during breaks. 2. Signed consent from production workers to work 5 days in a week against legal requirement of 5.5 days a week, was not available in the factory for review. Management shared that the documented consent was sent to labour department while obtaining the approval. 3. One out of 8 outsourced security guards worked for 24 hours on 5 days in July 2023. 4. Manual time record is maintained for outsourced security guards. Review of record from July 2023 revealed that name, employee number and signature did not match with data from employment records for one guard.</p>
Recommendation for Immediate Action	<p>1. Ensure workers from sewing and finishing sections do not work during lunch breaks. 2. Ensure signed consent is obtained from production workers to work 5 days in a week against legal requirement of 5.5 days a week. 3. Ensure security guards do not work beyond legally permitted daily working hours. 4. Ensure time records of outsourced security guards contain accurate information of the person.</p>
Compliance Classifications	Immediate Action Required
Local Law	<p>1. Board of Investment- 2.1 - Monday to Friday -9 hours per day inclusive of an interval of one hour for a meal or rest. 2. No direct legal reference for obtaining consent. 3. Board of Investment- 2.1.2 Two or Three-shift Operation -Monday to Friday: 8 hours per day inclusive of an interval of ½ an hour for a meal or rest. Saturday: A short working day of 5 ½ hours inclusive of an interval of ½ an hour for a meal or rest.</p>
Benchmark ID	HOW.20
Benchmark Details	<p>Employers shall have in place practices that conduct regular analysis of hours of work in their workplaces and procedures that demonstrate a commitment to progressively reducing excessive hours of work.</p>
Finding Details	<p>Workers work 1 hour of overtime on most days hence production is planned for 10 hours a day which includes 1 hour of overtime.</p>

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	Workers are informed of overtime requirements post lunch break and not at the beginning of shifts.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement 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	1. All (8 out of 8) outsource security guards work beyond 60 hours a week up to 72 hours a week as they work on 12 hourly shifts for 6 days every week. One out of 8 security guards worked for 96 hours a week during one week in July 2023. 2. In July 2023, outsourced female security guards worked 88 hours of overtime in the month against legal limit of 60 hours in a month.
Recommendation for Immediate Action	1. Ensure security guards do not work beyond 60 hours a week. 2. Ensure female security guards do not work overtime beyond 60 hours a month.

Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance No 45 of 1942. Section 68 - Overtime employment of women and young persons over sixteen - Section 68 (1). Provided that the overtime worked by a woman shall not exceed in the aggregate sixty hours in any calendar month.
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	One out of 8 outsourced security guards worked on all 31 days in the month of July 2023. Time cards for months prior to July 2023 were not available onsite for review.
Recommendation for Immediate Action	Ensure security guards are provided a day off in seven days period.
Compliance Classifications	Immediate Action Required
Local Law	BOI Labour Standards Manual Section (4) HOLIDAYS:4.1. Weekly Holiday 4.1.1. Sunday shall be the weekly holiday.

