

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

06 Sep 2023



Factory Information

FLA Affiliates	Amer Sports
Country	Myanmar
Number of Workers	2431

Understanding this Report

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

FLA Code Element

Number of Violations

Compensation (C)	8
Employment Relationship (ER)	9
Forced Labor (F)	1
Freedom Of Association And Collective Bargaining (FOA)	1
Harassment Or Abuse (H/A)	1
Health, Safety And Environment (HSE)	18
Hours Of Work (HOW)	4

Assessment Information

Assessor	Openview - Vietnam
Assessment Date	06 Sep 2023
Assessment Purpose	

ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.12.1
Benchmark Details	All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc.
Finding Details	The factory deducts 2% for Social Security Contribution based on 30 days or monthly salary instead of the actual working days. This practice affects workers who work less than 30 days. This issue happens in all months within the assessment period. For instance, a worker who worked 25 days in August 2023 was deducted the same rate, 2% of salary , as workers who worked 30 days.
Recommendation for Immediate Action	Contribute the social security based on the actual working days in the month as legal requirement.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with Social Security Law No. 15 (2012), Art. 18 (a)
Benchmark ID	C.6
Benchmark Details	All wages, including payment for overtime, shall be paid directly and in full within legally defined time limits. When no time limits are defined by law, compensation shall be paid at least once a month.

Finding Details	1. The factory has developed a policy that if resigned workers have worked for the full month, they will receive their salary on 5th of the following month by bank transfer. If resigned workers have not worked for a full month, they will receive their salary on 10th of the following month by cash while the local laws require that payment is made within 48 hours right after contract termination. 2. Based on the resignation payment records, the factory pay all resigned workers in cash. However, the factory does not pay the final payout for workers when workers do not come back to the factory to collect their wages within 30 days, HR department returns the final payout of workers to the factory's bank account. Note: The actual payment and overtime of workers are unable to verify accurately due to inconsistencies noted for hours records.
Recommendation for Immediate Action	1. Pay the final payout for resigned workers within 48 hours as per legal requirement. 2. Pay worker's wage instead of returning it to the factory bank account.
Compliance Classifications	Immediate Action Required
Local Law	1. In accordance with 2016 The Payment of Wages Act, Section 4 sub-section
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	The security guards are provided two uniforms annually by the security company . However, the security guards have to pay for their uniform 5000MMK per month for four months, a total of 20,000MMK (9.52USD) to their company.
Recommendation for Immediate Action	Provided free uniform for all security workers.
Compliance Classifications	Immediate Action Required
Local Law	Payment of Wages Act, of 1936.

Benchmark ID	C.24.1
Benchmark Details	Employers shall not set production targets, piece rates or any other incentive or production system at such a level that workers need to work beyond regular working hours as set under the FLA Workplace Code, excluding overtime, in order to make at least the minimum wage or the prevailing industry wage, whichever is higher.
Finding Details	The factory sets the daily production targets and if workers do not reach at least 80% of the daily target set by the management, they have to sign the warning letters. Management reported that approximately 15 workers signed the warning letters monthly due to not meeting the production target.
Recommendation for Immediate Action	Ensure the production target is achievable and stop issuing warning letter to workers who do not reach the daily production target.
Compliance Classifications	Immediate Action Required
Local Law	Not applicable
Benchmark ID	C.18.1
Benchmark Details	Employers shall not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.

Finding Details	<p>The normal working hours, overtime hours and relevant payments are unable to be accurately verified due to:</p> <ul style="list-style-type: none"> • The manual time records with no time in/time out are used to monitor working hours for all workers. • The time records of July 2023 provided by the factory show that selected workers normally worked maximum 2 hours overtime per day and 12 hours overtime per week. However, another set of time records collected during the site inspection shows that these workers worked overtime from 3.5 to 5 hours per day and up to 22.5 hours overtime per week from 2 to 3 weeks. • In addition, bank payment record of one selected worker shows that this worker only received Kyat161,049 (USD76.7) for the salary of May 2023. However, the payment records provided by the factory on the first assessment day show that the worker received Kyat184,387 (USD87.82). The workers' signatures in the payroll and time records provided by the factory are not consistent with the workers' signatures in the personal file. Based on the relevant interview, it is reported that the payroll and time records are signed by the attendance checker in each line for monthly attendance.
Recommendation for Immediate Action	<p>1. Ensure to record all working hours accurately and completely; 2. Pay workers full and accurately for all hours of work.</p>
Compliance Classifications	Immediate Action Required
Local Law	Not applicable
Benchmark ID	C.2
Benchmark Details	<p>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.</p>

Finding Details	1. The security guards from a security service company named Great Escort Brother Service Co, Ltd were paid less than the minimum wage in June, July, and August 2023 as detailed below: The legal minimum wage is 144,000MMK/month for 30 days or 148,800MMK/month for 31 days or 4,800MMK/day or 600MMK/hour, but two security guards were paid only 402.75MMK/hour; two other security guards were paid only 416.66MMK/hour; one security staff was paid only 527.77MMK/hour. Notes: The factory works 12 hours a day and overtime was not paid. 2. Minimum wage of the factory cannot be verified accurately due to inconsistencies found in the time recording records.
Recommendation for Immediate Action	1. Pay at least the legal minimum wage for all security workers. 2. Ensure to pay wage and benefits for all workers in full and timely as per local laws.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with the Government of the Republic of the Union of Myanmar / The Ministry of Labor, Employment and Social Security - Notification no.64/2013 Clause 43 (e).
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	The factory hires 11 (ten male and one female) contracted security workers to work at the factory from Great Escort Brother Service Co., Ltd. However, these 11 security guards do not receive legal benefits such as annual leave, casual leave, and sick leave as per local laws.
Recommendation for Immediate Action	Provide annual leave, casual leave, and sick leave for all security workers.
Compliance Classifications	Immediate Action Required

Local Law	In accordance with the Factory Act, 1951, and the Leave and Holiday Act, 1951 (Law Amended July 2014) Annual leave can be accumulated for up to 3 years.
Benchmark ID	C.9.3.1
Benchmark Details	In those countries where there is no legally established overtime premium, employees shall be compensated for overtime hours at the prevailing industry premium rate or at the internationally recognized overtime rate, whichever is higher.
Finding Details	The Myanmar public holidays are from April 10-17, 2023 which is 8 days. The factory arranged holiday for Myanmar New Year from April 8-18, 2023. Workers worked overtime from 12:30 pm to 4:30 pm (4 hours) on April 1, 2023 (Saturday afternoon), to compensate for holiday on April 8, 2023, and worked on Sunday March 26, 2023 to compensate for holiday on April 18, 2023, but the workers are paid only 100% instead of 200% for overtime as per legal requirements. Notes: It is by the requirement and signed agreement of the employees to replace the holiday to have a continuous holiday from 8 to 18 April 2019 (Myanmar New Year). In addition, based on the resigned workers list in March 2023, one out of three selected resigned worker worked on March 26, 2023 (Sunday) and resigned on March 29, 2023, but the factory did not pay for the working hours on Sunday March 26, 2023.
Recommendation for Immediate Action	Pay work for all overtime hour as per local laws.
Compliance Classifications	Immediate Action Required
Local Law	The Factory Act, 1951, the overtime wage shall be calculated as double the basic wage.

Employment Relationship (ER)

Benchmark ID	ER.11.2
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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	There are approximately 334 new permanent workers who have not received an employment contract as per law even they have started working in the factory for more than a month.
Recommendation for Immediate Action	Sign and provide the labor contract for all workers as per legal requirements.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with the Employment and Skill Development Law, 2013.
Benchmark ID	ER.1.2
Benchmark Details	Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions.
Finding Details	1. The ongoing training for existing workers does not cover the following Employment Functions: Recruitment, Hiring and Personnel Development, Workplace Conduct and Discipline, Grievance System, Environmental Protection, Termination and Retrenchment. 2. The factory does not clearly define the qualified staff responsible for each FLA's code elements and FLA Employment Functions officially, the factory explained that to the relevant person in charge verbally.
Recommendation for Immediate Action	Not applicable

Compliance Classifications	Sustainable Improvement Required
Local Law	Not applicable
Benchmark ID	ER.5.1
Benchmark Details	Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure compliance.
Finding Details	The factory does not provide training for the supervisor level related to FLA's Code elements such as: Employment Relationship, Non-discrimination, Harassment or Abuse, Forced labor, Child labor, Freedom of Association and Collective Bargaining and Employment Functions (Recruitment, Hiring & Personnel Development, Compensation, Hours of work, Workplace Conduct and Discipline, Grievance System, Environment protection, Health and Safety, Termination and Retrenchment).
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 has not developed a procedure to discipline workers, supervisors and managers who violate non-discrimination policy. 2. The factory has not developed policies and procedures on the prevention of forced labor. 3. The child labor prevention policy is established. However, the factory has not developed procedure related to child labor prevention such as an age verification process or remediation procedure. 4. The factory has not developed policies and procedures to govern all aspects of retrenchment. 5. There is no job description established for the different positions in the factory.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Not applicable
Benchmark ID	ER.6.1
Benchmark Details	Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond.
Finding Details	The factory has not developed 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.8

Benchmark Details	Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements.
Finding Details	The factory has not developed a policy and procedure for Promotion and Demotion. The promotion implementation is based on the personal decision of the production manager only. There are no systemic mechanisms and criteria to evaluate and ensure compliance with the local laws and relevant requirements of non-discrimination and equality.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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 factory does not provide orientation training for new workers related to FLA's Code elements such as: Employment Relationship, Nondiscrimination, Harassment or Abuse, Forced labor, Child labor, Freedom of Association and Collective Bargaining, Environment, Hours of Work, Compensation) and Employment Functions (Recruitment, Hiring & Personnel Development, Compensation, Hours of work, Workplace Conduct and Discipline, Grievance System, Environment protection, Health and Safety, Termination and Retrenchment). The factory mostly provides training related to production for new workers.

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	1. The factory does not conduct any regular review on policies and procedures. 2. There is no evidence to prove that workers are consulted or integrated into the decision-making process of aspects concerning workplace and working conditions. Policies and procedures are mainly established by the social compliance and HR team.
Recommendation for Immediate Action	Not applicable
Compliance Classifications	Sustainable Improvement Required
Local Law	Not applicable
Benchmark ID	ER.18.3.4
Benchmark Details	Records of disciplinary action must be maintained in the worker's personnel file.
Finding Details	The records of disciplinary actions are not maintained in workers' personnel files.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Forced Labor (F)	
Benchmark ID	F.7.1.4
Benchmark Details	Employers shall not utilize, nor shall they use employment agencies or intermediaries that utilize, practices that restrict any worker's freedom of movement, or ability to terminate their own employment, or that create a threat of penalty. Examples of such practices include, but are not limited to requiring workers to pay recruitment and/or employment fees.
Finding Details	Based on the personal file review, it is noted that workers who have not been vaccinated for Covid-19 vaccine are required to test for recruitment and the test fee, 5000MMK/test, is paid by workers.
Recommendation for Immediate Action	Pay all relevant costs related to hiring process.
Compliance Classifications	Immediate Action Required
Local Law	
Freedom Of Association And Collective Bargaining (FOA)	
Benchmark ID	FOA.3
Benchmark Details	When the right to freedom of association and collective bargaining is restricted under law, employers shall not obstruct legal alternative means of workers association.

Finding Details	The Workplace Coordinating Committee (WCC) is established in the factory, registered on February 10, 2022. However, there is no evidence to ensure that the WCC is founded in a democratic way. There is no record to document the election. In addition, the factory does not hold monthly meeting as required. There was only one meeting conducted on August 19, 2023 from the WCC establishment, noted during the assessment.
Recommendation for Immediate Action	Keep all records to prove the WCC is established in democratic way, hold the monthly meeting as per legal requirements.
Compliance Classifications	Sustainable Improvement Required
Local Law	In accordance with The Settlement of Labor Dispute Law (2012)

Harassment Or Abuse (H/A)

Benchmark ID	H/A.8.3
Benchmark Details	Employers, shall develop, implement and monitor policy and procedures for eliminating the risk of violence, harassment, and abuse in the workplace. Policies and procedures shall include a clear statement that violence, harassment, and abuse will not be tolerated, procedures for the investigation of allegations, and measures to protect any complainants, victims, and witnesses.
Finding Details	The factory has not developed written policies and procedures on prevention of harassment and abuse, including a system to discipline supervisors, managers, and workers who engage in any form of harassment and abuse.
Recommendation for Immediate Action	Not applicable
Compliance Classifications	Sustainable Improvement Required
Local Law	Not applicable

Health, Safety And Environment (HSE)

Benchmark ID	HSE.5.3
Benchmark Details	Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.
Finding Details	No fire drill is conducted during the night shift (18:30 – 3:30) for all workers. Not all worker participated in the only fire drill conducted in the day shift (7:30 – 16:30). Only 150 out of 2,421 workers participated in the drill held on September 2, 2023. In addition, there is no fire drill conducted for all managers living in expat dormitories.
Recommendation for Immediate Action	Conduct fire drill at day shift and night shift for all workers and managers living in the dormitories.
Compliance Classifications	Immediate Action Required
Local Law	Factories Act (1951), Article 40.
Benchmark ID	HSE.5.1
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: posting evacuation plans; the installation and maintenance of fire alarms; the installation and maintenance of emergency lighting; ensuring aisles/exits are not blocked and that workers are not blocked within their workstations; employee education and training; and evacuation procedures and fire drills.
Finding Details	1. There is only one emergency exit staircase in expat dormitory No. 1. The dormitory building has three floors; the ground floor is used for offices, and the first and second floors are used for a dormitory with 12 rooms and 15 expats living inside. The surface area is about 331.2 square meters (13.8m x 24m) per floor. 2. There is no exit sign or emergency lights for the two escape exits on the ground floor of the CNC building (Mold workshop).
Recommendation for Immediate Action	(1) Ensure to have at least two emergency exits in the expat dormitory. (2) Install the exit signs and emergency lights for escape exits on the ground floor of the CNC building

Compliance Classifications	Immediate Action Required
Local Law	Not applicable
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	1. There are no secondary containments for all five observed diesel tanks at power generators. 2. No safety door at hazardous waste storage. The hazardous waste house is untidy, hazardous wastes (contaminated fabrics scraps, waste paints) are scattered in the surrounding area. 3. Identification labels posted on all bulk chemical containers in chemical warehouse, paint mixing room, ink mixing room are not in the local language. In addition, there is no label of contents, main hazards for all five oil tanks at generator areas.
Recommendation for Immediate Action	1. Not applicable 2. Not applicable 3. Provide chemical label in local language and post label of main hazards for all chemical containers.
Compliance Classifications	Immediate Action Required
Local Law	1. Not applicable 2. Not applicable 3. Ministry of Industry, Prevention of Hazard from Chemical and Related Substances Rules, effective since Jan 12, 2016: Chapter 11, Clause 54 – Labelling of chemical products
Benchmark ID	HSE.19
Benchmark Details	All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.

Finding Details	1. There is sufficient hand soap and water supply, but there is no toilet tissue or hand dryer in worker toilet areas. 2. The factory does not keep food samples in expat kitchens to prepare for the investigation of the cause in case of food poisoning.
Recommendation for Immediate Action	1. Not applicable 2 Ensure to keep food samples for necessary length of time to prevent food borne illness.
Compliance Classifications	Immediate Action Required
Local Law	Not applicable
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. The noise level in some areas exceeds 85 dBA. Based on a workplace monitoring report conducted on July 18, 2023, the noise level at CNC molding, cutting, wheel department (sanding), dish hole (drilling), and touching-up line was from 85.2 to 89.9 dBA. The highest noise level was at the cutting line. 2. There is no heat stress management procedure or no heat stress assessment for areas, processes, or operations with thermal comfort problems such as frame pressing, electrician, boiler, air compressor, and cold storage.
Recommendation for Immediate Action	1. Ensure to control the noise level does not exceed 85 dBA. 2. Not applicable
Compliance Classifications	Immediate Action Required
Local Law	1. The factories Acts 1951, on OSH 2.9 Safety Provisions. 2. Not applicable
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.

Finding Details	1. There are no markings for pedestrian walk paths in the factory compound for traffic safety. In addition, there is no warning sign for forklift, no designated forklift traveling routes at warehouses. 2. There is no driver license for one out of two forklift drivers in the factory. 3. There is no LOTO (Lockout and Tagout) program for equipment and machines which must be locked and tagged during repair/maintenance. In addition, the factory does not have LOTO device.
Recommendation for Immediate Action	1. Provide visible markings for traffic lanes, walk paths, post forklift warning sign, and clearly mark forklift traveling routes at warehouses. 2. Ensure all forklift drivers to have driver license. 3. Use proper LOTO devices for machines, equipment that must be locked and tagged during maintenance or repair.
Compliance Classifications	Immediate Action Required
Local Law	Not applicable
Benchmark ID	HSE.6.1
Benchmark Details	All safety and medical equipment (e.g. fire fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to workers.
Finding Details	1. There is no appropriate equipment (correct PPE, breathing apparatus) for fire brigade members to use for firefighting. 2. The factory has an eyewash device but no emergency shower at the chemical warehouse, chemical mixing room, paint spraying rooms, or printing workshop. In addition, the factory uses improper faucets for eyewash devices—no spray heads for eyewash faucets. 3. There is no inspection record for all first aid kits in the factory. In addition, there is insufficient first aid supply for one out of two first aid kits at the tennis workshop.
Recommendation for Immediate Action	1. N/A 2. Install proper eyewash, and emergency shower at the chemical storage warehouse, chemical mixing room, paint spraying rooms, and printing workshop. 3. N/A

Compliance Classifications	Immediate Action Required
Local Law	1. N/A 2. Ministry of Industry, Prevention of Hazard from Chemical and Related Substances Rules, effective since Jan 12, 2016: Chapter 12, Clause 56. 3. N/A
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	There is no doctor available during day shift (7:30 – 16:30) and night shift (18:30 – 3:30). There is no nurse or trained first aider available for night shift. The factory only has one nurse working in day shift.
Recommendation for Immediate Action	Ensure to arrange doctor, nurse, and first aider for both night and day shift for worker care.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with the Factory Act, 1951.
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. Not all workers in high-risk jobs have a health certificate. The factory only have health certificate of 50 workers in high-risk jobs such as electrician, mechanics, boiler operator, generator operator, workers working with chemicals. 2. There is no building completion certificate for building No. 3. The factory have only achieved Building Completion Certificate (BCC) for eight out of nine main buildings in the factory compound. As per management response, the factory will obtain the BCC for building No. 3 in November 2023. 3. There is no certificate of registration for three out of nine power generators used in the factory.
Recommendation for Immediate Action	1. Provide periodic health examination to all workers working high-risk jobs. 2. Obtain the production building completion certificate and keep in place for review. 3. Ensure to obtain the certificate of registration for all power generators used in the factory.
Compliance Classifications	Immediate Action Required
Local Law	1. The Factories Act (1951), Article 52(c). 2. Myanmar Investment Law (The Pyidaungsu Hluttaw Law No. 40/2016), Clause 17. 3. Electricity law (2014). Certificate of registration for power generation.
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. There is no audiometric testing provided for 317 out of 367 workers working in high noise areas (CNC molding, sanding, CNC, carbon sheet cutting, hole drilling, and power generators). Remark: The factory only provided audiometric testing for 50 workers working in chemical keeping, logo printing, painting, molding, and sanding. 2. There are no safety precautions such as hazard signage, smoking signs, or authorized access signs posted at hazardous waste warehouses. 3. Wastewater from the toilet area next to Line 3 workshops is discharged to stormwater drainage instead of being sent to the onsite wastewater treatment plant before being discharged to the environment. 4. There is no approval from the local authority (Environmental Conservation and Cleaning Department) for the Factory's Environmental Management Plan (EMP). Factory response: The factory sent the EMP conducted in November 2021 to the local authority and is still waiting for the local authority to respond. 5. The factory neither has an ACM (asbestos contaminated materials) management procedure nor takes proper steps to ensure that workers are not exposed to asbestos. 6. There is no assessment to identify suspected asbestos materials (e.g., insulation materials, construction materials). In addition, there is no test report to prove compliance of these asbestos suspected materials.</p>
Recommendation for Immediate Action	<p>1. Conduct audiometric testing for all workers exposed to high noise levels. 2. N/A 3. Ensure waste water is treated before being discharged. 4. Ensure to get approval from local authority for the Environmental Management Plan. 5. N/A 6. N/A</p>
Compliance Classifications	<p>Immediate Action Required</p>
Local Law	<p>1. The Factories Act (1951), Article 52(c). 2. N/A 3. N/A 4. Environmental Conservation Rules, 2014. Rules 61. 5. N/A 6. N/A</p>
Benchmark ID	<p>HSE.29</p>
Benchmark Details	<p>Employers shall provide all necessary protection for workers when working at heights, confined spaces, and other high-risk areas.</p>
Finding Details	<p>1. There is no fall protection (safety harness) for workers working at height (>1,8 meter) such as electrician, maintenance staff. 2. There is no safety fence to prevent falling from the rooftop of generator rooms and the high platform bearing water tanks of expat kitchen.</p>

Recommendation for Immediate Action	1. Ensure to provide safeguard or PPE for workers working at height (>1,8 meter) such as electrician, maintenance staff. 2. Install safety fence to prevent falling for rooftop floor of generator rooms, high platform bearing water tanks of expat kitchen
Compliance Classifications	Immediate Action Required
Local Law	Not applicable
Benchmark ID	HSE.17.2
Benchmark Details	Employers shall train workers in proper lifting techniques, and items such as lifting belts shall be provided.
Finding Details	The factory does not provide training for workers on ergonomics, including lifting techniques especially for physically demanding jobs (loading, unloading heavy objects).
Recommendation for Immediate Action	Provide training for workers on ergonomics, including lifting techniques especially for physically demanding jobs (loading, unloading heavy objects).
Compliance Classifications	Immediate Action Required
Local Law	The Factories Acts 1951, the Garment Industry Code of Conduct
Benchmark ID	HSE.30.2.6
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed:protections to workers who allege health, safety, and environmental violations;
Finding Details	The OHS (occupational health and safety) risk assessment does not cover maintenance workshop, working at height, electrical works, air compressor, boiler, toilet area, waste storage area and wastewater treatment plant.

Recommendation for Immediate Action	Not applicable
Compliance Classifications	Sustainable Improvement Required
Local Law	Not applicable
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	There is no accident investigation for all accidents recorded in the nurse book in 2022.
Recommendation for Immediate Action	Ensure to conduct accident investigation for all accidents, and implement appropriate corrective actions to prevent recurrence.
Compliance Classifications	Immediate Action Required
Local Law	According to the Factories Acts 1951, 3.3
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. The workers do not wear facemasks at polishing line (dust area), and cleansing line (chemical use area) at Line 3 Workshops (tennis racket, and baseball bat). 2. There is no occupational health and safety training provided for all workers. As per management interview, the factory only provides verbal orientation to new workers. The orientation training does not include health and safety topics. The most recent orientation training was conducted on August 28, 2023 for 24 workers.
Recommendation for Immediate Action	1. Request workers to wear facemasks sufficiently. 2. Provide occupational health and safety training for all workers including new worker and existing workers.
Compliance Classifications	Immediate Action Required
Local Law	1. The Factory Acts, 1951, the Garment Industry Code of Conduct. 2. The Factory Acts 1951, the Garment Industry Code of Conduct.
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	1. Two out of six boiler operators did not have a certificate to operate the boiler safely. 2. The factory does not provide training for workers working with electricity and at height.
Recommendation for Immediate Action	1. Provide training and obtain the certificate for all boiler operators. 2. Provide training for workers working with electrical issues and at height.
Compliance Classifications	Immediate Action Required
Local Law	1. In accordance with the Myanmar Boiler Law (2015), 2. The factories Acts 1951, the Garment Industry Code of Conduct
Benchmark ID	HSE.9.2

Benchmark Details	Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances.
Finding Details	There is no chemical safety training for workers working with chemicals such as CNC operators (working with lubricant liquid), logo printing, powder coating, paint spraying, spot cleansing, generator operator (working with diesel). Remark: The factory only provided safety training for five chemical warehouse personnel on Oct 21, 2020.
Recommendation for Immediate Action	Provide chemical safety training for relevant workers on a regular basis.
Compliance Classifications	Immediate Action Required
Local Law	Ministry of Industry, Prevention of Hazard from Chemical and Related Substances Rules, effective since Jan 12, 2016: Chapter 5 – Chemical license, and chemical safety training
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	The factory does not take proactive steps to reduce repetitive-motion stress or injuries (breaks, adjustable workstations). In particular, the factory does not have backrest chair for prolonged seating jobs (inspection, cleansing, strings weaving), anti-fatigue mats for prolonged standing jobs (carbon sheet weaving, cutting, shaping, painting) at production workshops. The factory does not define the time for short breaks and does not provide ergonomic short-breaks for all workers.
Recommendation for Immediate Action	Ensure to provide backrest chair for prolonged seating jobs, anti-fatigue mat for prolonged standing jobs.
Compliance Classifications	Immediate Action Required

Local Law	Not applicable
Hours Of Work (HOW)	
Benchmark ID	HOW.22.1
Benchmark Details	Employers shall have in place policies for managing all working hour, overtime, and leave records in normal and exceptional circumstances.
Finding Details	The factory established a policy on working hours. However, this policy does not have the procedure to guide for exceptional circumstances.
Recommendation for Immediate Action	Not applicable
Compliance Classifications	Sustainable Improvement Required
Local Law	Not applicable
Benchmark ID	HOW.14
Benchmark Details	Employers shall provide workers taking annual leave their normal or average wages for the full period of annual leave in advance, unless specified differently under national laws, regulations and procedures.
Finding Details	There is no evidence to ensure that resigned workers are paid for unused annual leave. The assessor requested the annual leave records of the resigned workers. But the factory did not have the list of resigned workers who had untaken leave for review, while other records were provided inaccurately. For example, one resigned worker who joined on May 6, 2021 and had 20 days of annual leave, but there is no name of this worker in the provided annual leave records. The responsible person later provided another record that showed the worker has used her annual leave but the name of worker is also different. Remark: Inconsistencies found during the assessment.

Recommendation for Immediate Action	Keep all accurate records related to the payment of unused annual leave.
Compliance Classifications	Immediate Action Required
Local Law	In accordance with the Leave and Holiday Act, 1951 (Law Amended July, 2014) (1)
Benchmark ID	HOW.22.3
Benchmark Details	Time worked by all workers, regardless of wage system, shall be fully documented by time cards or other mechanical or electronic recording systems.
Finding Details	The factory uses manual time records with no time in/time out to monitor working hours for all workers. The manual time records show V" to indicate working day with 8 hours from 07:30 to 16:30 and indicate the number for overtime hours such as "1" or "2".
Recommendation for Immediate Action	Install the system to record the working hours for exact payment accordingly.
Compliance Classifications	Immediate Action Required
Local Law	Not applicable
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 factory arranged for workers to work on Sunday March 26, 2023, and provided the compensated weekly day off on April 18, 2023. As a result, all selected workers worked seven consecutive days without a day off. However, the actual working hours of workers are unable to be verified due to inconsistencies found during the assessment.

Recommendation for Immediate Action	Provide at least one (01) day off per seven for workers as required.
Compliance Classifications	Immediate Action Required
Local Law	Not applicable

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