

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

09 Jul 2024



Factory Information

FLA Affiliates	Arena S.p.A.
Country	Turkey
Number of Workers	207

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)	2
Employment Relationship (ER)	12
Health, Safety And Environment (HSE)	7
Hours Of Work (HOW)	1

Assessment Information

Assessor	Key of Sustainability Denetim Ltd.
Assessment Date	09 Jul 2024
Assessment Purpose	

ASSESSMENT RESULTS

Compensation (C)

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	Factory performed working hour adjustment for workers in March 2024 or during Ramadhan period. The total of daily working hours was changed from 8 hours to 7 hours and it affected to workers' salary. Factory did not pay the workers for the adjustment and there was no consent signed by the workers for the practice.
Recommendation for Immediate Action	1. Provide a back-payment to all workers for March period. 2. Obtain written consent from workers for adjustment on regular working hours and other changes related to workers' rights.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	C.22
Benchmark Details	Employers must establish a system through which workers can dispute compensation and receive clarifications in this respect in a timely manner.
Finding Details	1. According to decision reports and election records, the roles of worker representatives are limited to Occupational Health & Safety, not all FLA Code elements. 2. Majority of interviewed workers complained about the lack of transportation benefits that cover the costs for workers to travel to and from work. The assessor did not find evidence of these complaints in the suggestion boxes for the last 12 months.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Employment Relationship (ER)

Benchmark ID	ER.9.3
Benchmark Details	Contract/contingent/temporary workers shall only be hired if one of the following conditions is met the permanent workforce of the enterprise is not sufficient to meet unexpected or unusually large volume of orders, exceptional circumstances* may result in great financial loss to the supplier if delivery of goods cannot be met on time, or work that needs to be done and is outside the professional expertise of the permanent workforce.
Finding Details	Factory uses agency company to hire new workers with six-months contract period. These workers are belong to the agency and paid by the government. Factory will hire the workers after the contract period is completed. There is no specific reason for this practice, except for financial advantage.
Recommendation for Immediate Action	
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	Factory has not provided any ongoing training to workers on all FLA's Code elements and Employment Functions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.2
Benchmark Details	Employers shall ensure that all legally mandated requirements for the protection or management of special categories of workers, including migrant, juvenile, contract/contingent/temporary, probationary workers, home workers, and pregnant or disabled workers, are implemented. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.
Finding Details	Based on management interview, factory does not hire young worker (age between 16 to 18 year old) due to limitation of working hours.
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	Factory has not provided any specific training to the relevant supervisors that includes all FLA's Code elements and Employment Functions.

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. Factory has Child Labor and Young Worker procedure in place, but has not included remediation plan. 2. There is no written job descriptions prepared for all positions when personnel need to be hired.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.6.1
Benchmark Details	Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond.
Finding Details	There are no written policies and procedures on personnel development that encourage ongoing training with the goal of raising or broadening workers' skills.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.7.1
Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Finding Details	1. There are no written policies and procedures on performance reviews that include steps and processes, linkages to job grading, nondiscrimination, written feedback, and compliance with legal requirement. 2. Facility has not conducted performance reviews for all 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	There are no written policies and procedures on promotion, demotion and job reassignment.

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	1.Factory has not provided regular communication to workers on all FLA's Code elements and Employment Functions. 2.Factory has not posted the FLA Code and affiliated company's Code of Conduct at the workplace.
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	Factory has not posted and communicated the FLA-affiliated company's written workplace standards to all workers, managers and supervisors.

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	Factory has not provided orientation training that includes FLA's Code elements and Employment Functions to new workers and administration personnel.
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	Factory has not implemented 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.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Health, Safety And Environment (HSE)	
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. Factory has posted a warning sign to prohibit smoking in the closed areas. However, some workers were found smoking in the toilet area. 2. Evacuation route at the outside area of canteen building is obstructed by broken soil. 3. Emergency exit/aisle in the carton warehouse at Building 2 are blocked by cartons. 4. Emergency exit door at the main building could not be opened properly due to obstructed by a motorcycle parked in the front of the door.
Recommendation for Immediate Action	1. Conduct regular socialization and monitoring to workers on smoking prohibition at all closed areas. 2. Maintain all emergency exits and exit routes are free of obstruction and safe for all workers. 3. Conduct regular monitoring to keep all emergency exit doors are available to use in an emergency.
Compliance Classifications	Immediate Action Required
Local Law	
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	Not all chemical containers are labeled with the contents and main hazard. There are no proper labels provided for one container in the cutting section at Building 2 and one container in the hazardous materials storage.
Recommendation for Immediate Action	Label all chemical containers with proper contents and main hazards.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	Factory has not implemented a complete lockout-tagout maintenance safety system for all relevant equipment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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. One fire extinguisher is blocked by carton boxes in the storage warehouse at Building 2. 2. Factory has not provided the fire brigade with appropriate fire fighting equipment.
Recommendation for Immediate Action	1. Keep fire safety equipment from any obstruction. 2. Provide proper fire fighting equipment for fire brigade.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	1. Factory uses hook and pile cutting machine that functioning at higher level of noise. There is no action to measure the noise in order to manage the risks or develop appropriate ways to eliminate and/or control the hazard. 2. Factory stores the solid waste behind one of emergency exit door at ground floor of Building 2.
Recommendation for Immediate Action	1. Conduct risk assessment according to the nature of the operations such as measure the level of the noise and perform action to reduce the noise. 2. Store the waste in the designated areas.
Compliance Classifications	Immediate Action 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	There are no safety instructions displayed or posted near machinery, in workers' language.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	Factory provides Personal Protective Equipment (PPE) for workers. However, one electrician does not wear safety shoes while working.
Recommendation for Immediate Action	Conduct regular socialization and monitoring to all workers on usage of Personal Protective Equipment (PPE) while working.
Compliance Classifications	Immediate Action Required
Local Law	

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	1. Workers are expected to accept overtime work in advance, as mentioned in the Personnel Handbook. Factory does not seek consent from workers for the overtime work. 2. Shift working schedule is not arranged in the Working Hours and Overtime Procedure.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

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