

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

08 Jul 2024



Factory Information

FLA Affiliates	47 Brand, LLC,Russell Brands/Fruit of the Lo
Country	Pakistan
Number of Workers	500

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)	5
Employment Relationship (ER)	11
Harassment Or Abuse (H/A)	2
Health, Safety And Environment (HSE)	13
Hours Of Work (HOW)	2
Nondiscrimination (ND)	1

Assessment Information

Assessor	Innovatus
----------	-----------

Assessment Date	08 Jul 2024
-----------------	-------------

Assessment Purpose	Factory Assessment (In-Person)
--------------------	--------------------------------

ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.21.2
Benchmark Details	All benefits shall be calculated correctly
Finding Details	As per the facility's compensation and benefit procedure, bonus payments are made on a pro-rata (tenure-based) basis. The bonus payment record and workers' interviews also confirmed that the bonus payments are based on length of service. This practice is not permitted by local law, which requires that all eligible workers be paid the same bonus amount.
Recommendation for Immediate Action	Ensure bonus payments are calculated correctly as per law.
Compliance Classifications	Immediate Action Required
Local Law	Section 13, THE SINDH TERMS OF EMPLOYMENT (STANDING ORDERS) ACT, 2015.
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	Records for wage payments to individual contractor workers in security and the canteen were not available. The factory could only provide a record of payments made to the contractor companies. There were 6 security guards and 8 canteen workers in the facility at the time of the assessment.

Recommendation for Immediate Action	Maintain wage records for contractor workers. Although these workers are employed by the contractors, the facility should have oversight over the payments made to individual contractor workers to ensure their payments meet legal requirements.
Compliance Classifications	Immediate Action Required
Local Law	Section 27, SINDH MINIMUM WAGE RULES, 2021
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	1. The factory's group insurance plan expired on 30th June and the facility is in the process of renewal. 2. The factory's temporary disability policy does not provide correct coverage under local law. Under local law, coverage should not be less than half the monthly wages. Currently, however, it coverage is 15,000 PKR instead of 16,000 PKR.
Recommendation for Immediate Action	1. Immediately renew the group insurance of its workers and establish a review to prevent future expirations. 2. Ensure the group insurance policy provides coverage as per law.
Compliance Classifications	Immediate Action Required
Local Law	Section 12, THE SINDH TERMS OF EMPLOYMENT (STANDING ORDERS) ACT, 2015
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	When the assessors requested 6 months of time and wage records for a sample of workers, records for 40 workers were not provided, citing technical issues. The factory only shared records for 18 workers, for only one month.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	The factory's payment records for piece-rate workers were not maintained in a single consolidated book. Instead, separate records were kept for piece-rate payments, makeup payments if wages fell below the minimum wage, overtime payments, and leave payments. This makes it challenging to consolidate the total monthly payments made to workers and ensure accurate payments.
Recommendation for Immediate Action	Maintain wage records for piece-rate workers in a single consolidated book to ensure accuracy and transparency.
Compliance Classifications	Immediate Action Required
Local Law	Section 27, SINDH MINIMUM WAGE RULES, 2021
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	1. The employee grievance procedure does not outline a mechanism to receive, track, and communicate outcomes for the grievances received through various channels such as complaint boxes. 2. The factory had no records of grievances submitted or actions taken.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	Please review ER.10.1
Recommendation for Immediate Action	Please review ER.10.1
Compliance Classifications	Immediate Action 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	The facility currently employs fewer disabled workers than the local law's requirement of 5%. At present, less than 1% of the workforce consists of disabled workers. Furthermore, the facility is not making the legally required financial contributions imposed for failing to meet the quota.
Recommendation for Immediate Action	Ensure that the percentage of disabled workers in the factory is as required by law, or ensure to pay the legally required contribution if not able to meet the quota requirement.
Compliance Classifications	Immediate Action Required
Local Law	Section 2, THE SINDH DIFFERENTLY ABLE PERSONS (EMPLOYMENT, REHABILITATION AND WELFARE) (AMENDMENT) ACT, 2017
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's procedure for the prohibition of forced labor does not cover freedom of movement and free disposal of wages, as required by FLA benchmarks. 2. The procedure for the prohibition of child labor does not include a mechanism for remediation if child labor is identified.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.9.2
Benchmark Details	Employers shall have in place written policies and procedures regulating the recruitment and hiring of contract/contingent/temporary workers.
Finding Details	The facility has no written policies or procedures on hiring contract, contingent, or temporary workers.
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	The facility does not conduct performance reviews for all workers. These are only conducted for the supervisory level and above.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Benchmark ID	ER.9.1
Benchmark Details	Employers shall hire contract/contingent/temporary workers only if such hiring is consistent with the national law of the country of production.
Finding Details	Around 74% of the facility's workforce is on fixed-term contracts of 9 months, and their contracts are renewed successively. Therefore, they are not provided with annual leave benefits and severance payments. Since their nature of work is regular, they should be hired as permanent workers and provided all the benefits applicable to permanent workers. This practice violates the local law and FLA code of conduct.
Recommendation for Immediate Action	Rather than continually renewing fixed-term contracts, change the status workers to permanent workers, to ensure they receive annual leaves and severance payments.
Compliance Classifications	Immediate Action Required
Local Law	Section 1(b), THE SINDH TERMS OF EMPLOYMENT (STANDING ORDERS) ACT, 2015
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	The employment contracts do not correctly stipulate maternity leave. They state that eligible employees can avail themselves of 12 weeks of maternity leave, whereas local law mandates 16 weeks of leave for female workers. Furthermore, the contracts do not include provisions for additional legal maternity benefits in cases of miscarriage, stillbirth, or premature delivery, as required by law.
Recommendation for Immediate Action	Ensure the employment contract is updated as per law and includes correct details of maternity benefits.
Compliance Classifications	Immediate Action Required

Local Law	Section 3 & 4, THE SINDH MATERNITY BENEFIT ACT, 2018
Benchmark ID	ER.10.1
Benchmark Details	Employers shall not hire contract/contingent/temporary workers as a means to support continuing business needs on a long-term basis.
Finding Details	The facility hires workers on fixed-term contracts as a general practice, rather than to meet occasional needs. 74% of workers are hired on fixed-term contracts of nine months. These contracts are renewed continuously. Some interviewed workers have been working on this arrangement for 10 years. As fixed-term workers are not entitled to annual leave, they have not provided annual leave benefits for this time.
Recommendation for Immediate Action	The facility should immediately stop the practice of hiring workers on fixed-term contracts and change their status to permanent employees. Those workers should be provided with their rights retroactively including annual leaves.
Compliance Classifications	
Local Law	Section 1(b), THE SINDH TERMS OF EMPLOYMENT (STANDING ORDERS) ACT, 2015
Benchmark ID	ER.10.2
Benchmark Details	Employers shall not renew contracts for multiple successive short-terms in lieu of providing regular employment.
Finding Details	Please review ER.10.1
Recommendation for Immediate Action	Please review ER.10.1
Compliance Classifications	Immediate Action Required
Local Law	Section 1(b), THE SINDH TERMS OF EMPLOYMENT (STANDING ORDERS) ACT, 2015

Benchmark ID	ER.12
Benchmark Details	For any contract/contingent/temporary worker who becomes a permanent employee, seniority and other fringe benefits eligibility must be dated from the first date as a contract/contingent/temporary worker and not from the first day of permanent employment.
Finding Details	Some former fixed-term contract or temporary workers have become permanent employees of the factory. However, their severance pay benefit (provident fund) is calculated from their first day as a permanent worker, rather than their entire time as a worker at the facility.
Recommendation for Immediate Action	Ensure severance pay benefits eligibility is dated from the first date as a contract/temporary worker and not from the first day of permanent employment.
Compliance Classifications	Immediate Action Required
Local Law	Section 16 (6), THE SINDH TERMS OF EMPLOYMENT (STANDING ORDERS) ACT, 2015

Harassment Or Abuse (H/A)

Benchmark ID	H/A.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning discipline, violence, harassment and abuse, including that which is gender-based
Finding Details	The facility has not established an anti-harassment committee as is required by law.
Recommendation for Immediate Action	Ensure an anti-harassment committee is established as per law.
Compliance Classifications	Immediate Action Required

Local Law	Section 3, THE PROTECTION AGAINST HARASSMENT OF WOMEN AT THE WORKPLACE ACT 2010
Benchmark ID	H/A.8.3
Benchmark Details	Employers, shall develop, implement and monitor policy and procedures for eliminating the risk of violence, harassment, and abuse in the workplace. Policies and procedures shall include a clear statement that violence, harassment, and abuse will not be tolerated, procedures for the investigation of allegations, and measures to protect any complainants, victims, and witnesses.
Finding Details	The facility's written policy and procedure on harassment and abuse does not cover physical, verbal, psychological, or sexual harassment and abuse. The procedure does not outline the mechanisms to ensure the workplace is free from harassment and abuse.
Recommendation for Immediate Action	Ensure that the written policy and procedure cover all forms of harassment and abuse and the mechanisms to address these.
Compliance Classifications	Immediate Action Required
Local Law	Section 3, THE PROTECTION AGAINST HARASSMENT OF WOMEN AT THE WORKPLACE ACT 2010

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. None of the emergency exits in high-risk areas, such as warehouses, compressor rooms, and generator rooms, are equipped with fire-rated doors. Additionally, one exit door on each of the first, second, third, and fourth floors, opening towards the stairs, is not fire-rated. Finally, the emergency exit doors in the cutting department on the 4th floor are not smoke-sealed.
Recommendation for Immediate Action	1. Ensure all emergency exits in high-risk areas, production areas, and doors opening towards evacuation routes are fire-rated.
Compliance Classifications	Immediate Action Required
Local Law	Section 10.9.1.8.13, The Building Code of Pakistan Fire Safety Provision 2016
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. The factory does not keep food samples in the canteen for the necessary length of time to prevent foodborne illness. 2. There is no fire alarm or smoke detector in the childcare room. 3. No trained/licensed nurse or female staffer is employed in childcare, as is required by law. 4. A toilet facility is not provided in the child care.
Recommendation for Immediate Action	1. Ensure food samples are stored below 4 degrees centigrade for 72 hours. 2. Install a fire alarm and smoke detector in the childcare room. 3. Provide trained/licensed nurse or female staffer in childcare room 4. Provide toilet facility in the childcare.
Compliance Classifications	Immediate Action Required
Local Law	Section 4, THE SINDH OCCUPATIONAL SAFETY AND HEALTH ACT, 2017; Section 99, THE SINDH FACTORIES RULES, 2021
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	Workers handling food in the workers' canteen are not provided with beard masks.
Recommendation for Immediate Action	Ensure canteen workers are provided with beard masks.
Compliance Classifications	Immediate Action Required
Local Law	Section 4, THE SINDH OCCUPATIONAL SAFETY AND HEALTH ACT, 2017
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	Electric panels are not provided with residual current devices (RCDs) for preventing electrical shocks and fire.
Recommendation for Immediate Action	Install residual current devices of appropriate rating in all electrical panels.
Compliance Classifications	Immediate Action Required
Local Law	Section 4, THE SINDH OCCUPATIONAL SAFETY AND HEALTH ACT, 2017
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.

Finding Details	1. The facility has not provided an inner cage or safety sensor on the inner gates of the cargo lift cages for protection. The facility has two cargo lifts. 2. The facility has not installed lightning arrestors. 3. An LPG cylinder was found inside the office area kitchen on the ground floor, and was not secured or chained.
Recommendation for Immediate Action	1. Ensure an inner gate or safety sensors are provided in the cargo lifts. 2. Install lightning arrestors. 3. Ensure LPG cylinders are stored in the proper areas and are secured/chained properly at all times.
Compliance Classifications	Immediate Action Required
Local Law	Section 38, THE SINDH FACTORIES ACT, 2015; Section 4, THE SINDH OCCUPATIONAL SAFETY AND HEALTH ACT, 2017
Benchmark ID	HSE.6.1
Benchmark Details	All safety and medical equipment (e.g. fire fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to workers.
Finding Details	1. The facility has not provided breathing apparatus for the fire brigade. 2. The facility has not performed the hydraulic calculations to ensure that the fire hydrant system is sufficient for the building, including that the hydrant's water storage is sufficient. 3. The facility has not provided a firehose reel on the 5th floor of the building, which houses the workers' canteen and a storage area.
Recommendation for Immediate Action	1. Provide breathing apparatus for the fire brigade. 2. Ensure hydraulic calculations are carried out to assess the sufficiency of the installed fire hydrant system. 3. Provide a hose reel at the top floor.
Compliance Classifications	Immediate Action Required
Local Law	Section 59, THE SINDH FACTORIES RULES 2021
Benchmark ID	HSE.27.1

Benchmark Details	Childcare facilities shall not physically overlap with production areas and children shall not have access to production areas.
Finding Details	The child care facility is located on the ground floor, within the factory's finished goods storage area. It should not be placed within the production area.
Recommendation for Immediate Action	Ensure that the childcare facility is located away from the production area.
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. On the ground floor of the factory, there is no fire compartmentation between the packing department and the finished goods storage. 2. Fire blankets are not provided in the canteen cooking area. 3. A public address system is not provided on the second, third, and top floor of the building. 4. The two compressed air tanks have not received proper testing. In addition, the tanks were found not bolted to the ground. 5. During the visit to the workers' canteen, it was found that some fans were out of order.
Recommendation for Immediate Action	1. Provide fire compartmentation between the packing department and the finished goods storage on the ground floor. 2. Provide a fire blanket in the canteen cooking area. 3. Ensure coverage of the public address system throughout the facility. 4. Test compressed air tanks for stability, maintain records, and update the tests as needed. Also, ensure compressor air tanks are bolted to the ground. 6. Ensure fans in the canteen are functional.
Compliance Classifications	Immediate Action Required
Local Law	Section 4. THE SINDH OCCUPATIONAL SAFETY AND HEALTH ACT, 2017

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	The factory has not provided safety information to contractors in the canteen and transport, as required by law.
Recommendation for Immediate Action	Ensure safety information is provided to contractors and their workers in canteen transport.
Compliance Classifications	Immediate Action Required
Local Law	Section 4, THE SINDH OCCUPATIONAL SAFETY AND HEALTH ACT, 2017
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	Water filters are not installed at the drinking water stations in the workers' canteen and in the stitching department.
Recommendation for Immediate Action	Ensure water filters are provided at all drinking water stations.
Compliance Classifications	Immediate Action Required
Local Law	Section 22, THE SINDH FACTORIES RULES, 2021
Benchmark ID	HSE.30.2.5

Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed: procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies
Finding Details	The procedure on health and safety does not cover the reporting mechanism required by local law in case of injury, death, fire, environmental emergency, or other health and safety emergencies.
Recommendation for Immediate Action	Update the procedure to include steps for completing legally-required reports after incidents.
Compliance Classifications	Immediate Action Required
Local Law	Section 51, The SINDH FACTORIES ACT, 2015; Section 23, THE SINDH OCCUPATIONAL SAFETY AND HEALTH ACT, 2017
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	During the inspection of electrical panels, the assessment observed that the electrician was not using the required personal protective equipment (PPE), such as gloves and safety shoes, to protect against electrical shock.
Recommendation for Immediate Action	Ensure staff use PPEs while working with the electrical panels.
Compliance Classifications	Immediate Action Required
Local Law	Section 4, THE SINDH OCCUPATIONAL SAFETY AND HEALTH ACT, 2017

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. Anti-fatigue mats are not provided to workers who work in standing positions. 2. Seats in the stitching section are not adjustable to height and do not have adjustable backrests.
Recommendation for Immediate Action	1. Provide anti-fatigue mats to all workers who work in standing positions. 2. Provide seats that are adjustable and with adjustable backrests.
Compliance Classifications	Immediate Action Required
Local Law	Section 4, THE SINDH OCCUPATIONAL SAFETY AND HEALTH ACT, 2017

Hours Of Work (HOW)

Benchmark ID	HOW.22.2
Benchmark Details	Accurate time records shall be maintained by employers, including overtime, breaks, and leave.
Finding Details	The assessment observed inconsistencies between the records of workers' leave and the payroll records. For example, in April 2024, leave records showed one worker having taken seven leaves; meanwhile, the payment record showed the worker using only three leaves, with deductions for four absences.
Recommendation for Immediate Action	Ensure the accuracy of the leave records.
Compliance Classifications	Immediate Action Required
Local Law	Section 9, THE SINDH TERMS OF EMPLOYMENT (STANDING ORDERS) ACT, 2015

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's procedure for hours of work has the following issues: 1. It does not include mechanisms to regulate working hours for special categories of protected workers. 2. It does not stipulate additional maternity leave benefits in cases of miscarriage, premature delivery, or other health concerns. 3. The rate at which workers can encash annual leave is not correctly stipulated. The procedure mentions that the payout is calculated using the workers' average wage over the last year. However, as per local law, it should be calculated using the average of the last three months' wages.
Recommendation for Immediate Action	Ensure that the procedure on hours of work includes: 1. mechanisms to regulate hours of work for young workers, female workers, and pregnant and breastfeeding workers 2. Additional maternity leave benefits in case of miscarriage, premature delivery, or other health concerns. 3. The annual leaves will be encashed on the average of the last three months' wages.
Compliance Classifications	Immediate Action Required
Local Law	Section 4, The Sindh Maternity Benefit Act, 2018; Section 74, The Sindh Factories Act, 2015

Nondiscrimination (ND)

Benchmark ID	ND.4
Benchmark Details	Employers may not request the disclosure of any personal, non-job related information during the application, recruitment, or hiring process, including but not limited to gender, race, religion, disability, sexual orientation, nationality, political opinion, social group, ethnic origin, or marital status.
Finding Details	The factory's employment form includes questions about personal information such as marital status, and number of children.

Recommendation for Immediate Action	Ensure the employment form is free from questions about marital status and number of children.
Compliance Classifications	Immediate Action Required
Local Law	

x