

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**05 Aug 2024**



## Factory Information

FLA Affiliates	League Collegiate Wear, Inc. (
Country	Philippines
Number of Workers	342

## 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)	4
Employment Relationship (ER)	8
Health, Safety And Environment (HSE)	9
Hours Of Work (HOW)	1

## Assessment Information

Assessor	Donny Triwandhani
Assessment Date	05 Aug 2024
Assessment Purpose	Factory Assessment (In-Person)



## 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	Remittance for Social Security for outsourced security guards are not based on their total earnings in a month. For one worker, the salary credit used is two levels higher, while for the other worker, this is one level lower.
Recommendation for Immediate Action	Ensure that the salary credit used is in accordance with SSS table.
Compliance Classifications	Immediate Action Required
Local Law	Republic Act 11199, Social Security Act of 2018, Sec. 18
Benchmark ID	C.20.2
Benchmark Details	Deductions for services to workers shall not exceed the cost of the service to employers.
Finding Details	Workers can purchase beverage (Bottles of Coke) through facility management. The payment is made through salary deduction. However, for purposes of ease in calculation for the deduction, a deduction of PHP 16.00 is made for each bottle of Coke. The actual cost of which is PHP 15.58. The law stipulates that when the deduction are with written authorization of the employees for payment to a third person and the employers agrees to do so, provided that the latter does not receive any pecuniary benefit, directly or indirectly, from the transaction.

Recommendation for Immediate Action	Ensure that deductions made on workers salary does not enable the facility to receive any pecuniary benefit.
Compliance Classifications	Immediate Action Required
Local Law	DOLE Labor Advisory No. 11 (2014), Non-Interference in the Disposal of Wages and Allowable deductions, Sec. 2 (b).
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	<p>(1) The security agency implements a deduction for 'cash bond' for its security guards. An amount of PHP 50.00 is deducted every payday (PHP 100/month). The practice of the deduction is currently a continuous deduction. In addition, the security guard under the security agency is deducted PHP 300 for Group Insurance for every payday. Both deductions are mandatory to the security personnel.</p> <p>(2) The factory provides incentive for sewing and eyelet operators. The amount of incentive for each operator and who will receives it is decided solely by the manager. There are no parameters such as a performance review or incentive scale used to decide why one worker received a much higher incentive than other workers. For instance: Eyelet operator A received incentive of PHP 1,014.02 for pay period of July 1st to 15th 2024 while another eyelet operator did not receive any incentive during same pay period although both workers were hired same month and year, and they worked same number of regular days with same basic wage. The compliance manager and workers do not aware the incentive calculation.</p>
Recommendation for Immediate Action	(1) Ensure practices surrounding the practice of 'cash bond' implemented by security agency are set as optional. (2) Ensure to provide equal benefits to all workers at the same position for the equal job unless if the significant different amount of benefit is based on position level, performance review result, and years of service. This is to avoid discrimination.
Compliance Classifications	Immediate Action Required

Local Law	DO 150-16 (Sec 8. Deductions from Salary)
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	The probationary periods for new workers as per factory procedures are up to 5 months which exceeds FLA Code of 3 months of probation periods. The local law allows the employers to implement probation periods maximum of 6 months.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

### 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	Grievance procedures are not implemented adequately since: 1. There is no grievance box available in male toilet for building 5G and 5H; 2. There is no grievance record available for review. According to compliance manager, there is no grievance letter obtained from workers so far. Grievance procedure stated the grievance box is opened on daily basis but there is no record of opening grievance box.
Recommendation for Immediate Action	1. Provide grievance box also in male toilet for building 5G and 5H; 2. Maintain the record of checking or opening the boxes, and track the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workers.

Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	ER.5.1
Benchmark Details	Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure compliance.
Finding Details	There is no specific training for supervisors. The training was conducted for both workers and their supervisors at the same time with same materials.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.17.6
Benchmark Details	Employers shall have a system in place to prevent retaliation against or discrimination towards workers who are filing grievances, including grievances regarding harassment, abuse, violations of factory procedures, compensation, or unsafe working conditions
Finding Details	There is no specific non-retaliation policy and procedures. The non-retaliation is mentioned only on anti-discrimination committee. As result, there is no adequate system in place to prevent retaliation towards workers who are filing grievances, including grievances regarding violations of factory procedures, compensation, unsafe working conditions, and concerns related to health, safety or environment.
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	There are no performance review policy and procedures established. As result, there is no performance review conducted to each worker.
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	There is no communication on FLA Code to workers.
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	Orientation training for new workers only cover health and safety. There is no training for other employment functions, such as recruitment, hiring & personnel development, termination & retrenchment, compensation & benefits, grievances, workplace conduct & disciplinary system, industrial relation & freedom association, and environmental protection.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.3
Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.
Finding Details	The factory has not established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.6
Benchmark Details	The workplace shall commit to non-retaliation for all steps of the disciplinary process, including for a worker requesting a witness and filing an appeal of disciplinary action.
Finding Details	The factory does not establish a written commitment to non-retaliation for disciplinary process including if a worker requests a witness and filing an appeal of disciplinary action.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

### Health, Safety And Environment (HSE)

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	(1) The width of the emergency exit in building 5G and 5H is 69 cm instead of 110 cm and the height is around 160 cm instead of 200 cm as per required regulation. (2) Each of the exits has a door sill which causes a tripping hazard during emergency evacuation. The door sill allows one person to pass at a time and the person needs to raise their feet to step over the door sill, which causes a risk of injury.

Recommendation for Immediate Action	(1) Ensure width of all emergency exits as per required regulation. (2) Ensure all exits are free of sill that risking a tripping hazard during emergency evacuation.
Compliance Classifications	Immediate Action Required
Local Law	Implementing Rules and Regulations (IRR) of Republic Act No. 9514 Otherwise Known as the "Fire Code of the Philippines of 2008" (2009), Rule 10: Fire Safety in Buildings, Structures & Facilities, Division 5: Means of Egress, Sec. 10.2.5.2
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	At least one electrical cable for the light in packing of building 5G and one cable for the fan in sewing line of building 5H near embroidery are noticed to be repaired by using electrical tapes, instead of permanently fixed or replaced.
Recommendation for Immediate Action	Ensure not to use electrical tapes for permanent fixed of cables' splices or connection.
Compliance Classifications	Immediate Action Required
Local Law	Occupational Health and Safety Standards, Rule 1210 - Electrical Safety (1990), Sec. 1212.02
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	There is no implementation of LOTO procedures and no LOTO device is available. No LOTO program implemented has been resulted in no list of equipment and/or machines that require lock-out/tag- out (LOTO).

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	The fire brigade team is not provided with adequate equipment to fight fires such as helmet, gloves, boots and a self-contained breathing apparatus (SCBA).
Recommendation for Immediate Action	Provide fire brigade team with adequate equipment to fight fires such as helmet, gloves, boots and a self-contained breathing apparatus (SCBA).
Compliance Classifications	Immediate Action Required
Local Law	Occupational Health and Safety Standards, Rule 1080 - Personal Protective Equipment and Devices (1990), Sec. 1083
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) Confined space area such as water tank for hydrant is not marked with warning signs to limit entry. (2) There is no body harness for workers who work at height. (3) The high work areas such as water tanks and large exhaust fans on the walls are not marked with safety precaution (such as: fall hazard sign and usage of PPE sign). (4) There is no safety rod provided nearby every electrical panel to push or pull a person that might be electrocuted.

Recommendation for Immediate Action	(1) Mark all confined spaces with a sign "do not enter without authorization". (2) Provide body harness for workers who work in height. (3) Mark high work areas such as water tanks and large exhaust fans on the walls with safety precaution (such as: fall hazard sign and usage of PPE sign). (4) Provide safety rods at every electrical panel as rescue equipment to push and or pull electrocuted person.
Compliance Classifications	Immediate Action Required
Local Law	Occupational Health and Safety Standards, Rule 1080 -Personal Protective Equipment and Devices (1990), Sec. 1083
Benchmark ID	HSE.10.1
Benchmark Details	Material Safety Data Sheets (MSDS) for all chemicals and hazardous substances used in the workplace must be available at the usage and storage sites of the chemicals and hazardous substances, in the local language and the language spoken by workers, if different from the local language.
Finding Details	MSDS (Material Safety Data Sheet) for adhesive synthetic lubricating oil (HSS 2000) and WD-40 are only available in English language, not in local language (Tagalog).
Recommendation for Immediate Action	Ensure MSDS for all chemicals stored and used are also available in local language (Tagalog).
Compliance Classifications	Immediate Action Required
Local Law	Occupational Health and Safety Standards, Rule 1090 -Hazardous Materials (1990),Sec.1093.04(2)
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	(1) There is no safety shoes provided for mechanic and maintenance workers. (2) There is no ladder available in fabric warehouse of building 5I for workers to lift up/down the fabric to high shelves. In addition, there is no ladder for maintenance worker to work at height, such as cleaning the exhaust fan or checking the emergency lights in building 5G and 5H.
Recommendation for Immediate Action	(1) Provide safety shoes for mechanic and maintenance workers. (2) Ensure to provide a rolling ladder in fabric warehouse and ladder for maintenance worker to work at height.
Compliance Classifications	Immediate Action Required
Local Law	Occupational Health and Safety Standards, Rule 1080 -Personal Protective Equipment and Devices (1990), Sec. 1087; Occupational Health and Safety Standards, Rule 1060 -Premises of Establishments (1990), Sec. 1065
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) There is no LOTO (lockout/tagout) training for workers with special responsibilities. (2) The facility currently has two safety officers (SO) which are both SO3 level. Law requires the facility has two (2) SO2 and one (1) SO3 levels.
Recommendation for Immediate Action	(1) Provide LOTO (lockout/tagout) training for workers with special responsibilities. (2) Ensure to have two (2) SO2 and one (1) SO3 levels.
Compliance Classifications	Immediate Action Required

Local Law	Occupational Safety and Health Standards, Rule 1030 - Training of Personnel in Occupational Safety and Health (1990), Sec. 1033; Department Order No. 16 - Training and Accreditation of Personnel on Occupational Safety and Health (2001), Sec. 1033(1) - (2); DO 198-18
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	Seating facilities provided for around 7 button operators in building 5G and 2 overlock operators in building 5I do not have back support and not adjustable to compensate the height difference between each relevant worker's body posture and worktable.
Recommendation for Immediate Action	Ensure all seating facilities are provided with back support and adjustable.
Compliance Classifications	Immediate Action Required
Local Law	

### Hours Of Work (HOW)

Benchmark ID	HOW.3
Benchmark Details	Employers shall provide reasonable meal and rest breaks, which, at a minimum, must comply with national laws.
Finding Details	Meal break for outsourced security guards are taken while continuing their duties as security. The guards work either from 7.00 a.m. to 3.00 p.m. or 3.00 p.m. to 11.00 p.m. or working continuously for 8 hours. Law requires that a meal period of not less than twenty (20) minutes shall be provided by the employer.
Recommendation for Immediate Action	Ensure a meal period of not less than twenty (20) minutes is provided to security guards.

Compliance Classifications	Immediate Action Required
Local Law	Omnibus Rules Implementing the Labor Code (1989), Book III Rule I, Sec. 7

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