

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**30 Jul 2024**



## Factory Information

FLA Affiliates	Amer Sports,Gymshark Ltd.
Country	Sri Lanka
Number of Workers	2100

## 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)	2
Employment Relationship (ER)	13
Harassment Or Abuse (H/A)	1
Health, Safety And Environment (HSE)	20
Hours Of Work (HOW)	3

## Assessment Information

Assessor	InSync Global
Assessment Date	30 Jul 2024

Assessment Purpose	Factory Assessment (In-Person)
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## ASSESSMENT RESULTS

### Compensation (C)

Benchmark ID	C.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning the payment of compensation to workers.
Finding Details	1. The pay records and pay slips for outsourced canteen workers and security guards do not include information on available working days, days worked, or leave days. 2. Pay slips for security service workers are issued only in English, not in the local languages of Sinhala or Tamil.
Recommendation for Immediate Action	1. Include information on available working days, days worked, and leave days in the pay records and pay slips of outsourced canteen workers and security guards. 2. Provide pay slips in local languages (Sinhala and Tamil) for security service workers.
Compliance Classifications	Immediate Action Required
Local Law	Board of Investment – Labour standards and Employment Relations Manual, Section 3.2.5.
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	Terminal dues are paid to workers in the pay period following their termination, rather than within two days from the date of termination of employment, as required.
Recommendation for Immediate Action	Ensure terminal dues are paid to workers within 2 days of termination of employment.

Compliance Classifications	Immediate Action Required
Local Law	Wages Boards Ordinance No. 27 of 1941, Section 2C.
<b>Employment Relationship (ER)</b>	
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 written procedures on the grievance system lack details on how grievance resolutions are communicated to the workforce. 2. Grievances reported directly to factory management and supervisors (group leaders and team leaders) are not documented; only grievances submitted through suggestion boxes are recorded. 3. There is no system in place to ensure these grievances are addressed.
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	The factory has not provided ongoing training to all workers on the Code of Conduct. In the past 12 months, 1,843 out of 2,093 workers received training on the Code of Conduct. The remaining workers are scheduled to complete their training by September 2024.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.2
Benchmark Details	Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.
Finding Details	In the past 12 months, 98 out of 168 supervisors and managers received training on workplace conduct and the disciplinary system. However, managers and supervisors are not fully aware of disciplinary practices and have only partial awareness of workplace conduct. The HR team has handled all disciplinary matters according to legally defined procedures.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.5.1
Benchmark Details	Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure compliance.

Finding Details	In the past 12 months, 93 out of 168 supervisors received training on the Code of Conduct. Training for the remaining supervisors is scheduled to be completed by September 2024.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.17.1
Benchmark Details	Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.
Finding Details	1. The written procedures on grievance systems do not specify the responsible persons at the workplace, instead only referring to the General Manager. There is also no information on training provided to workers, supervisors, or managers on the grievance systems. 2. In the past 12 months, 1,843 out of 2,093 workers received training on the grievance systems. The factory plans to complete the training for the remaining workers by September 2024. However, approximately 45% of the sampled workers interviewed were unaware of all available communication channels (beyond the suggestion box and direct reporting to supervisors), the procedures for addressing grievances, and the timelines for resolution.
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	<p>1. The factory has a written policy on recruitment but lacks a corresponding policy for hiring. It does not address the use of service providers for security, housekeeping, and canteen services, nor does it outline the factory's responsibilities and due diligence to ensure that employment practices for outsourced workers in these areas comply with the factory's policies and procedures. The existing recruitment procedures partially cover hiring but omit training for those responsible for recruitment and hiring. Additionally, they lack details on timelines for conducting orientation programs as part of the hiring process and on the documentation provided to cover all topics in the orientation.</p> <p>2. The factory has a written policy on non-discrimination but it does not have accompanying written procedures.</p> <p>3. The written procedures on forced labor do not include provisions for assigning responsibilities within the workplace or for training those responsible.</p> <p>4. The written procedures on child labor lack provisions for assigning workplace responsibilities and for training the designated persons.</p> <p>5. The factory has a procedure for addressing cases where a child worker is identified, but it does not specify the responsibilities of individuals in the workplace (such as supervisors and co-workers) for immediate action or for escalating concerns to higher management.</p> <p>6. The factory's written policy on retrenchment references layoffs but does not adequately address retrenchment. The procedures do not include provisions for assigning responsibilities or for training those involved, nor do they provide information on the documentation that will be maintained.</p>
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.6.1



Benchmark Details	Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond.
Finding Details	Factory does not have written policy and procedures on personnel development that encourage ongoing training of all categories of workers with the goal of raising or broadening their skills so they can advance in their careers.
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. The factory lacks a written policy for performance reviews, although written standard operating procedures exist. These procedures are not signed by top management and do not address the need for training of those conducting evaluations or for ensuring that all workers understand the procedures. The procedures also do not cover the need to share evaluation results with workers or to obtain their feedback. 2. Performance evaluation results are communicated verbally to workers during group meetings with their managers and supervisors. However, the documented results are not signed by workers to acknowledge, accept, or provide feedback on the evaluations.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.8
Benchmark Details	Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements.
Finding Details	1. The factory lacks a written policy for promotions, demotions, and job reassignments. While there are some written procedures for promotions and demotions, there are no procedures in place for job reassignments. 2. Documented performance evaluation results are not signed by workers to acknowledge and accept the results, making it difficult to verify the fairness and transparency of the evaluations. 3. Documented performance evaluation results are communicated verbally to workers, and they do not sign the evaluation documents to confirm their understanding and acceptance. Workers may be downgraded based on evaluation results, which can result in a reduction in grade allowance without a change in salary. The current practice does not ensure that workers agree with their evaluation results, particularly when it leads to downgrading. Job reassignments are permitted based on worker requests.
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	The FLA and the affiliate's Codes of Conduct are posted in English but not in the local languages of Tamil and Sinhala.
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	<p>1. Appointment letters are provided in Sinhala to Tamil-speaking workers (approximately 5% of the total workforce). Tamil-speaking workers receive appointment letters in Tamil only if requested. 2. Appointment letters are signed and provided to workers only after they have commenced work, contrary to the factory's written procedures which state that they should be provided prior to starting work. 3. None of the HR team members speak, read, or write in Tamil. There is no system to ensure that written communications from Tamil-speaking workers are properly reviewed, understood, and addressed by management. For example, during a review of employment documentation, a Tamil-speaking worker was asked verbally by the HR team to confirm if alterations to dates on a medical leave period were made by them. The worker provided a written response in Tamil, but management could not verify or understand the content due to a lack of language skills. Management misunderstood the worker's response, leading to potential miscommunications that could impact employment practices. 4. Job descriptions are prepared for all positions at the time of hiring, but copies are not provided to workers for reference. As a result, workers interviewed were not fully aware of their responsibilities and job requirements.</p>
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.3
Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.
Finding Details	Workers are consulted for minor changes in working hours or for benefits beyond legal requirements, but they are not involved in the development of policies and procedures.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.3.3
Benchmark Details	Workers should be provided with written documentation that substantiates all the issues covered in orientation briefings.
Finding Details	The handbook provided to workers after orientation does not include information on personnel development, timelines, criteria for performance evaluations, promotions, or career development.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

### 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 a written policy on harassment and abuse but lacks written procedures. In the event of a complaint, the grievance redressal procedures are followed.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
<b>Health, Safety And Environment (HSE)</b>	
Benchmark ID	HSE.30.1
Benchmark Details	Employers shall develop, maintain, and regularly review health, safety, and environmental policies to ensure that they comply with all national laws, regulations and the FLA Workplace Code concerning health, safety, and environmental standards, regulations and procedures.
Finding Details	The factory has systems in place for environmental management but lacks written procedures. Although there is a written policy on environmental protection, it does not include specific procedures.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.6.2
Benchmark Details	A sufficient number of workers shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training.
Finding Details	Members of the fire brigade do not fully understand their responsibilities. Specifically, responsibilities for evacuating special categories of workers, such as pregnant and disabled workers, and for monitoring the evacuation process from all work areas are not clearly assigned to the fire team.

Recommendation for Immediate Action	Assign and communicate responsibilities for evacuating special categories of workers, such as pregnant and disabled workers, and for monitoring the evacuation process from all work areas to members of the fire brigade team. Additionally, provide adequate training for individuals with these responsibilities.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.5.1.6
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: evacuation procedures and fire drills
Finding Details	The factory has not conducted an assessment after evacuation drill to learn how to improve the evacuation process.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.5.1.3
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: installation and maintenance of emergency lighting
Finding Details	The factory has not installed emergency lights in following areas: training room (2 exits), the boiler room (2 exits), the engineering room, the laser cutting and embroidery room.
Recommendation for Immediate Action	Install emergency lights in the training room (2 exits), the boiler room (2 exits), the engineering room, the laser cutting and embroidery room.

Compliance Classifications	Immediate Action Required
Local Law	Board of Investment– Labor Standards and Employment Relations Manual- Section 6 – Industrial Safety Subsection 6.15 and Factory Ordinance No. 42 of 1942, Section No. 41 (8).
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	The spill kit in the chemical storage room is kept at the rear end of the room rather than at the entrance for easy accessibility.
Recommendation for Immediate Action	Ensure the spill kit provided in the chemical storage room is kept at the entrance of the room for easy accessibility.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002), Section 45.
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	The food preparation service does not follow proper food handling standards. One of the two cooks preparing meals was observed with a mask pulled down under his chin and using bare hands (without gloves) to add spices to the food. The other cook was seen handling boiled eggs with bare hands and also had a mask pulled down under his chin.
Recommendation for Immediate Action	Ensure that cooks preparing meals use masks and gloves while handling food. Additionally, use spoons when handling spices.



Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002), Section 45.
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	Audio metric test results from April 30, 2024, indicated that a worker from the maintenance department was diagnosed with "early noise-induced hearing loss" and recommended for removal from high-noise areas. The maintenance manager reported that the worker's duties were reassigned from operating drilling and grinding machines to less noisy tasks like painting. However, this reassignment was communicated verbally, with no written confirmation provided. Additionally, there is no system in place to ensure that the worker avoids high-noise areas. For a second worker, a test conducted on May 23, 2023, showed "early noise-induced hearing loss." A subsequent retest on April 30, 2024, indicated that his hearing is now "normal." There is no documentation or information on the actions taken by management after the initial report that led to the improvement in his hearing condition.
Recommendation for Immediate Action	1. Ensure that workers diagnosed with noise-induced hearing loss are not exposed to high-noise areas and monitor the nature of work assigned to them. 2. Conduct periodic evaluations of their hearing ability to ensure ongoing protection and compliance.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002), Section 45.
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.

Finding Details	1. Follow-up inspection reports for vehicle inspections are not maintained, making it impossible to verify if previous findings were addressed. Additionally, inspection reports lack photographic evidence of the findings. 2. Traffic lanes are marked for worker movement from the main gate to the production area but are not marked in areas where workers move between the main entrance and other buildings such as the training room, sewage treatment plant, and waste material storage areas, where vehicular traffic is present. 3. Anti-skid stoppers were missing on one of the two ladders used in the finished goods warehouse. This ladder was inspected by the nurse for safe usage in July 2024. 4. Safety fencing is not installed around in-line steam boilers used with pressing tables in the sewing areas, which poses a risk of injury from accidental blasts in case of a malfunction.
Recommendation for Immediate Action	1. Maintain follow-up inspection reports on vehicle findings, with pictures of the findings attached for reference. 2. Mark traffic lanes for all areas where workers move between the main entrance and other buildings, such as the training room, sewage treatment plant, and waste material storage areas, where vehicular traffic is present. 3. Install anti-skid stoppers on all ladders and conduct regular monitoring for safe usage. 4. Install safety fencing around in-line steam boilers used with pressing tables in sewing areas to protect workers from potential injury due to accidental blasts.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002), Section 45.
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 factory's firefighting team is trained to address minor fires but does not have personal protective equipment (PPE). 2. The outlet pipe from the eye wash station near the waste material storage room is missing, causing contaminated water to fall on the ground and on the user's feet.

Recommendation for Immediate Action	1. Provide appropriate equipment for the firefighting team, such as gas masks (at a minimum), to reduce risk to their health when fire extinguishers are used. 2. Install an outlet pipe at eye wash station near the waste material storage room for safe discharge of contaminated water.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002), Section 45.
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. The factory's fire risk assessment does not identify potential sources of fire or fuels in work areas that could increase fire risk. Additionally, it lacks information on the number of people working in each area and the potential impact in case of a fire. 2. Hazardous waste materials, including empty oil barrels, electronic waste, and chemical containers, are stored together in a single room. 3. During the factory tour, it was observed that two workers were working at one workstation, standing close to each other or back to back. This arrangement could impede quick and safe evacuation in an emergency. 4. Large quantities of waste fabric in poly bags, paper waste, and packing cartons are stored together in the waste material storage room, posing a fire risk. 5. Paints, electrical machinery, chemical containers, and paper boxes are stored together in a closed room adjacent to the chemical storage room. The room has detectable fumes from the paints, and there is no system in place to ventilate these fumes. 6. Kitchen staff use footwear that does not fully cover their feet, exposing parts of their skin. They also wear cloth aprons while cooking with gas burners at low levels, which could pose a risk if the aprons come into contact with flames. The cloth aprons and footwear may not adequately protect against burns from hot oil or water spills.

Recommendation for Immediate Action	1. Include information on possible sources of fire and fuels in work areas in the risk assessment, as well as the number of persons working in each area and the potential impact in case of a fire. 2. Store hazardous waste materials separately, such as empty oil barrels, electronic waste, and chemical containers, in designated areas to minimize health risks to employees. 3. Maintain adequate space between workstations to facilitate quick and easy evacuation for workers in case of emergency. 4. Store waste fabric separately in poly bags, paper waste, and packing cartons and disposed them regularly to prevent excessive accumulation and reduce the risk of accidents. 5. Ensure paints, electrical machinery, chemical containers, and paper boxes are stored separately, and provide proper ventilation to remove fumes from the storage area. 6. Ensure kitchen staff use closed footwear and aprons made of appropriate materials to reduce the risk of burn injuries.
Compliance Classifications	Immediate Action Required
Local Law	1. Factory Ordinance No. 42 of 1942, Section No. 41 (8). 2. Factories Ordinance 1942 (Amended in 2002), Section 45.
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	1. Warning signs are not posted near laser cutting machines used in the factory. 2. Safety instructions are not posted near machinery used in the the factory.
Recommendation for Immediate Action	1. Post warning signs near laser cutting machines. 2. Post safety instructions in workers' language near all machineries used in the factory.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002), Section 45.
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 spaces near the sewage treatment plant and the underground water tank used for fire-fighting water are not marked, and warning signs are not posted. 2. A log with a checklist for precautions to be taken by persons entering confined spaces is maintained, but there are no pictures to verify that precautions were taken and safety procedures were followed. 3. The maintenance log reflects periodic inspections of equipment and tools used by the maintenance team. However, the equipment and tools cannot be identified from the report, as they are not tagged or marked with identification codes. This poses a risk of using equipment that has not been inspected periodically to ensure safe usage.
Recommendation for Immediate Action	1. Ensure that the two confined spaces near the sewage treatment plant and the underground water tank, used for storing fire-fighting water, are clearly marked and equipped with warning signs to alert workers. 2. Ensure that pictures are maintained with logs when persons enter confined spaces to verify that precautions and safety procedures are being followed. 3. Ensure that equipment and tools used by maintenance personnel are tagged or marked with identification codes to facilitate easy identification and monitoring of periodic inspections.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002), Section 45.
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	In the past 12 months, specific training on ergonomics and lifting techniques was given to 102 out of 110 workers in the raw material and finished goods warehouse. Additionally, 1,843 out of 2,093 workers received training on workplace ergonomics. The factory plans to complete training for the remaining workers by September 2024.

Recommendation for Immediate Action	Conduct training on ergonomics for all workers.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002), Section 45.
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	There is a risk of contamination with the current setup for drinking water. Workers use taps in the canteen for drinking water, washing hands, and rinsing plates. This could lead to contamination of drinking water if a worker fills their cup while another worker uses the adjacent tap for washing hands or rinsing plates.
Recommendation for Immediate Action	Ensure that drinking water taps are positioned at a sufficient distance from taps used for washing hands and rinsing plates to prevent contamination of the drinking water.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002), Section 45.
Benchmark ID	HSE.5.4
Benchmark Details	The emergency evacuation plan (EEP) includes procedures for notifying local community authorities in case of accidental discharge or release of chemical/waste products or any other environmental emergency.
Finding Details	The factory does not have written procedures for responding to unexpected environmental concerns such as gas leaks.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.30.2.6
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed:protections to workers who allege health, safety, and environmental violations;
Finding Details	The factory has conducted a risk assessment but does not provide information on the number of persons working in each area who could be exposed to the identified risks or the number of persons who could be impacted. Additionally, not all potential hazards are completely identified. For example, the risk of electric shocks when operating cutting machines, the risk of fires from accidental spills or overheating of cooking oil in the canteen kitchen, and the risk of injury to sewing machine operators while cleaning sewing machines are noted. However, similar risks for workers cleaning other machines, such as overlock machines, cutting machines, embroidery machines, and heat sealing machines, are not included.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.7
Benchmark Details	Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors, noise, dust) to health and safety hazards, including medical waste.

Finding Details	Fall protection equipment is inspected every month by the nurse. During the factory tour, it was noted that the safety strap to be fastened under the chin was missing on 3 out of 5 helmets checked. These helmets were inspected in July 2024 and one helmet in use was not inspected at all.
Recommendation for Immediate Action	1. Ensure that the responsibility for inspecting fall equipment is assigned to trained and qualified personnel. 2. Conduct periodic training for inspectors, and perform random inspections of fall equipment after the completion of periodic inspections. 3. Equipment lacking necessary safety measures should not be used until safety is ensured.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002) –Section 45
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. While two members of the maintenance team were seen using safety shoes, four members were using regular footwear or open slippers instead. 2. In the past 12 months, training on personal protective equipment (PPE) was provided to 1,843 out of 2,093 workers. The factory plans to complete training for the remaining workers by September 2024.
Recommendation for Immediate Action	1. Ensure all workers from the maintenance team use safety shoes at work. 2. Conduct training on PPE usage for all workers.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002), Section 45.
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	In the past 12 months, training on chemical safety was provided to 20 out of 23 workers that working with chemicals. The factory plans to complete training for the remaining workers by September 2024.
Recommendation for Immediate Action	Provide training on chemical safety to all workers that working with chemicals.
Compliance Classifications	Immediate Action Required
Local Law	Factories Ordinance 1942 (Amended in 2002), Section 45.
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. Rest chairs are not provided for female workers who have standing jobs. 2. Anti-fatigue mats are not provided for workers with standing jobs in the layering, cutting, and embroidery departments.
Recommendation for Immediate Action	1. Provide rest chairs for female workers with standing jobs. 2. Provide anti-fatigue mats for workers with standing jobs in the layering, cutting, and embroidery departments.
Compliance Classifications	Immediate Action Required
Local Law	1. Factories Ordinance No 45 of 1942, Section 49. 2. Factories Ordinance 1942 (Amended in 2002), Section 45.
<b>Hours Of Work (HOW)</b>	
Benchmark ID	HOW.1.1

Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.
Finding Details	<p>The factory's time recording system is programmed to record work hours based on its shift timings (6:00 am to 2:00 pm and 2:00 pm to 10:00 pm) for factory workers. Outsourced workers from service providers for security, housekeeping, and catering services work on multiple shifts and use the factory's system to record their hours. Because these workers may work outside the factory's shift timings, their recorded hours are often reflected as overtime. At the end of each pay period, service providers obtain time cards from the factory and manually calculate the actual work hours based on the shifts assigned to their workers. Due to discrepancies between the programmed shift timings in the factory's system and the actual shifts worked, the time cards may show more hours worked than what was actually calculated manually. For example, a canteen worker on a 10:00 am to 7:00 pm shift clocks in at 10:00 am and out at 7:00 pm. Since the system is set to record shifts from 6:00 am to 2:00 pm, it incorrectly shows 5 hours of overtime (2:00 pm to 7:00 pm), although the worker has not worked any overtime according to their shift. Despite these discrepancies, manual time records and pay records reviewed for sampled workers provided by service providers were found to be accurate. The issue lies in the documentation of actual working hours using the factory's time recording system.</p>
Recommendation for Immediate Action	Ensure accurate documentation on actual working hours is maintained using the factory's time recording system.
Compliance Classifications	Sustainable Improvement Required
Local Law	Wages board Ordinance 27 of 1957 – Part 1, Section 3 (1).
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	Written procedures on hours of work do not specify the need for assigning responsibilities in the workplace or for training the individuals responsible.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HOW.20
Benchmark Details	Employers shall have in place practices that conduct regular analysis of hours of work in their workplaces and procedures that demonstrate a commitment to progressively reducing excessive hours of work.
Finding Details	On Saturdays, the factory typically schedules a short working day of 5.5 regular hours. However, as a standard practice, workers are required to work 8 hours on Saturdays, which includes 2.5 hours of overtime. Workers can choose to refuse the additional hours and leave the factory earlier, but in such cases, they must arrange their own transportation home as factory-provided transport is only available after the completion of the full 8-hour shift.
Recommendation for Immediate Action	Ensure that the factory adheres to the scheduled short working day of 5.5 hours on Saturdays or provide a clear policy outlining the need for the additional 2.5 hours of overtime. If workers are required to work beyond the standard hours, ensure they are compensated fairly for the overtime and provide adequate transportation options for those who opt not to work the additional hours.
Compliance Classifications	Immediate Action Required
Local Law	Board of Investments – Labor Standards and Employment Relations Manual, Section 2.1.1.

