



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Landau Uniforms, Inc
COUNTRY: Egypt
ASSESSMENT DATE: 01/11/17
ASSESSOR: FLA EMEA
PRODUCTS: Apparel
NUMBER OF WORKERS: 1300

Summary of Code Violations

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.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

- 1.The factory does not have a system to review the policies and procedures for the following Employment Functions: Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Grievance System, and Health & Safety.
- 2.The factory does not have a system to update the policies and procedures for either Recruitment, Hiring & Personnel Development or Termination & Retrenchment

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.29, ER.30. and ER.31)

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

The worker integration component is missing across all Employment Functions. This indicates that the factory has not established procedures to request and/or receive workers' input or feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes. Moreover, there is no sufficient communication between workers and management regarding Recruitment, Hiring & Personnel Development, Industrial Relations, Workplace Conduct& Discipline, Grievance System, Termination & Retrenchment and Health, Safety and Environment.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.16, ER.25, ER.29.1.1, and ER.30.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The procedure was activated at the beginning of 2017, to communicate with the workers by the production manager, administrative director, the security manager Compliance Manager, note that all the workers' proposals are done in a friendly and oral manner to give the worker an impression of speaking freely and that the company did not ask the employees about his banner, also suggestions and complains are presented at the factory monthly meeting which is conducted At the beginning of each month to review the company policy, Accordingly, a modification is made to modified or added policies and procedures based on workers conversations.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory does not provide detailed orientation training to the workers. Although there are some documented training records for Health & Safety, according to worker interviews, workers do not receive comprehensive training on Health & Safety during orientation.
2. Workers do not receive written documentation that substantiates all the issues covered in orientation.
3. The factory does not provide supervisors with specific, or on-going, training for any of the Employment Functions.
4. The workers do not receive ongoing training on any of the Employment Functions except Health & Safety. For ongoing training of Health & Safety, the last training was provided the beginning of 2017 and the previous training was provided in 2015. However, apart from first aid and fire emergency team training, the training content is not detailed, and workers lack awareness of Health & Safety risks.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.15, ER.17, ER.25 and ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1- This year, 25% of the staff were trained through the ILO, with each worker receiving a handbook of guidance approved by the organization
- 2- In the coming year, we will consider the addition of a refresher training course in the second half of the year to ensure that all employees are fully familiar with Health & Safety.

Company Action Plan Update

Ready for FLA

FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. There are currently 118 Bangladeshi migrant workers in Building 1 and Building 2 factories. The factory does not provide any of the migrant workers with the legally mandated social insurance.
2. The factory holds the passports of migrant workers. The workers sign a letter during the hiring process that permits the factory to hold their passports in order to keep the passports safe, since the workers live in dormitories where personal space is limited. The signed letter states that the factory will return passports to workers if the workers request them. The employment contract for migrant workers also requires workers turn over their passport to the factory, for their security.
3. Migrant workers are not hired through an employment agency; instead, they found their employment in the factory via brokers. According to worker interviews, they paid brokers between USD 1000 and USD 2500 as an employment fee. The most recent hiring date of Bangladeshi workers is January 2014, and management declared that migrant workers are no longer hired at the factory.
4. In the event a migrant worker decides to return to their country before the expiration of their contract (the contracts are signed for three years), they are required to pay half (EGP 1063, USD 58.60) of the work permit fee.
5. The factory does not register workers for social security in a timely manner. The factory completes the registration application the week of the hiring (instead of the same day), after the workers started to work. Due to the slow process of the social security

department, registration takes 30-45 days after submission.

6. Ninety percent (90%) of the interviewed workers, including Bangladeshi workers, have not received a copy of their employment contracts.

7. The current number of disabled workers at the factory does not meet the legal minimum requirement that disabled workers constitute at least 5% of the total workforce. There are currently six disabled workers working at the factory; the factory needs to hire 54 more disabled workers (for a total of 60) to be compliant.

Local Law or Code Requirement

Egypt Labor Code, Article 20; Rehabilitation Law 1982, Article 49; Social Insurance Law, No. 135, 2010; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.5, and ER.22; Nondiscrimination Benchmark ND.1; Forced Labor Benchmarks F.7, F.9 and F.10)

Recommendations for Immediate Action

1. Register all migrant workers in the social insurance system
2. Cease the practice of holding the passports of migrant workers.
3. Ensure that migrant workers do not pay any fee to any third party for being recruited to work at the factory. In the event an employment fee is required, the factory shall reimburse workers the full amount of the fee.
4. Ensure that no undue restrictions are placed on workers to return to their countries, such as paying any fees.
5. Provide all workers with a copy of their employment contracts.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Egyptian government Convention No 18 and 19, which concerns the insurance of injury and injury compensation and there is no international or local social insurance agreement for foreign workers See attached files. Although the factories pays fees to provide coverage for foreign workers for any medical or hospital needs.

2. Factory shall provide at employee's request, secure storage for employees documents such as passports, Identity papers, travel documents, and other personal legal documents. Such storage shall be freely accessible to workers, and the factory shall not withhold any such documents or restrict workers' access to them for any reason, whatsoever. In order to ensure that workers shall remain in employment in the workplace, factory shall make sure all documents must be available to workers at any time during working hours, and factory must confirm the identity of official papers of the owner before handing over to him.

3- During audit procedure, Mr. Nasir, production manager, stated to the auditor that during the last 10 years, the factory have not brought workers from Bangladesh, as we are now hiring Bengali workers. who left their company and the factory bears the costs of changing the visa and the work permit, without the worker having to incur in expenses. The factory is hiring migrant workers that are already living in Egypt.

4- Factory contracts migrants for periods of 3 years and pays all required fees, such as: expenses of recruitment and residence, medical checkup, tektites and full accommodations, based on the factory's plan to bring migrant worker to produce and generate a profit for the factory during the contractual period. However, if the worker wants to terminate his contract before the expiration date, which causes the factory losses, the factory will absorb all the expenses of the contract termination and the worker will absorb the expenses of the air ticket The migrant worker only bears the expenses of the flight ticket and nothing else. Note that the worker who finishes his contract is awarded the salary of the entire holiday period without any deductions, the flight ticket, and also the cash allowance of holidays. The factory does not use any practices that restrict the worker's freedom of movement or the ability to terminate his service freely. The company does not keep any deposits belonging to the worker and does not impose any financial penalties or deductions from the employment fees.

5- The delay of the proceedings is a result of the Social Insurance Authority handling a big number of registrations and the lack of staff; therefore, this process is beyond our control.

The factory's monthly turnover rate is about 5% and the rate of free zone turnover exceeds 25% and this leads to participate and exit approximately 60% daily. Although we are looking to submitting insurance forms for new employees in another Lauber office outside the region but it needs official approvals from the government and we hope to take it within next 3 months.

6- A copy of each work contract was handed to each employee and they have signed and confirmed that they have a copy of their contract. An announcement was posted on the company's board that any worker who did not receive a copy of his contract can come to the Personnel Affairs Office immediately to claim their respective copy.

7- Factory does not reject the appointment of disabled workers. They are in contact with all civil and social work organizations and ask them to provide workers to them. They do not differentiate between the non-disabled and the disabled worker.

Company Action Plan Update

Ready to submit to FLA

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. Recruitment, Hiring & Personnel Development policies and procedures do not include any procedures for personnel development or performance reviews.
2. There is a performance evaluation system in the factory including a system of grading based on skill, productivity and attendance. Workers receive a bonus every month based on their grades. However, workers' evaluations are based on observations by supervisors. There is no systematic time study or calculation of standard deviations for the performance review system. Moreover, the workers do not have information on how the bonus is calculated.
3. The factory does not define, in writing, the person(s) accountable for Recruitment, Hiring & Personnel Development in all areas within the factory.
4. There is not a written job description prepared for all positions for when personnel need to be hired.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.28, ER.29 and ER.30; Compensation Benchmark C.17)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Policy (please see attached).

A new procedure has been established by the committee policy review to conduct a six-month reviewer for the worker satisfaction and performance development by random selection of 10% of the workers in the factory by interview questioner including some technical tests. to clarify the training method should be given to the worker or the possibility of transferring the worker to another department that will be able to produce better. The completion of the questionnaire and testing is expected and completed in October 2017.

2. The product productivity of the worker is determined daily by the production manager for each production line, provided that the ratio is determined according to the product on the production line, where the incentive of production is determined on this ratio. In other words, if the numerical ratio reaches 100%, the worker is entitled to the full production incentive. 80% less productive motivation (see the retail policy of the company - Page 15, As well as a picture of the incentive calculation table.

The incentive system is a (constant incentive for all employees with any output ratio - variable incentive depending on the percentage of production).The supervisor or factory manager does not have any interference in the production. The worker is aware of his daily production quantity as he signs in the daily production sheet at the end of the day. As show in attached.

3. They are already specified in the 250-sheet factory manual, for example:
 - a. Responsible for compliance with laws and work systems is responsible for personnel.
 - b. Responsible for wages and benefits is responsible for the financial affairs of the company
 - c. Responsible for the procedures of recruitment and application of the laws of modernity and youth and women is H.R in charge and the Compliance Manager and the security manager.
4. On process expected to be issue by October 31, 2017 month.

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The assessors were not provided access to all requested documents, inclusive unofficial attendance sheets and unofficial payrolls during the assessment. At the end of the assessment, factory management provided some samples.
2. The factory practices double bookkeeping. Official records indicate the amount of workers' gross earnings which includes basic wage, bonuses, and daily fixed overtime payments for two hours. The remaining overtime payments are not included in the factory's official records.
3. For the purpose of calculating the hourly overtime wage, the factory calculates regular hourly wages by dividing the monthly wages by 240 (instead of 210 as per the Prime Minister's Decree on Free Trade Zones). Therefore, overtime payments, which are based on the lower hourly wage, are below the legal requirements.
4. Since the management did not provide assessors with the factory's unofficial attendance records, assessors could not verify and compare overtime hours worked with overtime payments. Official records showed that workers worked two hours of overtime per day and overtime payments made were in compliance with labor law (Paying workers overtime at 135% the hourly wage rate hourly for day shifts and 170% for night shifts). However, it could not be verified that the factory paid workers at the correct overtime premiums for any overtime after the first two hours because of the lack of actual time records. Management did provide assessors with samples of the unofficial payroll record. According to these samples, overtime payments are correctly calculated based on the monthly overtime hours indicated in the same sheets. Since actual overtime working hours could not be verified, assessors could also not view how many hours cover night work. However, according to worker interviews, workers receive their full earnings, including overtime, every month.
5. The payslips that are given to the Bangladeshi workers are in Arabic, and not in their native language (Bengali).
6. The factory does not provide annual leave as holidays to the workers. Instead the factory pays out workers' annual leave in advance: EGP 33.44 (USD 1.84) every month in addition to monthly salary. When workers want to use leave, the factory deducts the annual leave payments from the next month's payment. In other words, the factory deducts any payments for previously earned annual leave payments from workers' monthly payments when they want to use their annual leave.

Local Law or Code Requirement

Prime Minister Decision for Free Zones (24.03.1998), Article 91; Egyptian Labor Law, Articles 47, 48, and 85; FLA Workplace Code (Employment Relations Benchmark ER.2; Hours of Work Benchmarks HOW.11 and HOW.14; Compensation Benchmarks C.1, C.5, C.7, C.14, C.15 and C.16)

Recommendations for Immediate Action

1. Cease double bookkeeping and ensure that all overtime working hours and payments are reflected in the official payrolls.
 2. Ensure that overtime payments are calculated in accordance with the Prime Minister's Decree on Free Trade Zones.
 3. FLA affiliated brand should ensure that factory management is aware of FLA benchmarks including requirement of providing documents to assessors commissioned by the FLA.
 4. Provide payslips to Bangladeshi workers in their native language.
 5. Ensure that the annual leave days are provided as holidays to the workers, and the decision of receiving annual leave as payment is left to the workers.
- Ensure that the annual leave days are provided as holidays to the workers, and the decision of receiving annual leave as payment is left to the workers.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory is ensuring that all overtime working hours and payments are reflected in one official payroll. This was effective as of May of 2017. See attached file.
2. Overtime payments have been calculated accordance with the Prime Minister's Decree on Free Trade Zone as of May 2017.
3. Brand will make sure sure that the factory is aware of FLA benchmarks, including requirements of providing documents to assessors commissioned by FLA
- 3- The factory follows the Labor Law No. 12 of 2003, which stipulates in Article 80 that the worker may not be employed for more than eight hours or forty-eight hours per week, Hence, the difference in the calculation of additional hours is compensated and more in adding the rest hour at full value, knowing that we are obliged to follow the civil and free labor law.
- 4.A model is currently being designed of pay slips, which will also be translated in Bangladeshi. it is being reviewed through various

layers of management. It will take 3.5 months.

6- The factory does not refuse to give the worker any leave upon request and he applies Article 48 of the Labor Law regarding the determination of annual vacations (the employer shall specify the dates of the annual leave according to the requirements of the work and its conditions, and may not be cut except for strong reasons required by the Labor Department) The balance of vacations every three years and this is what happens to the factory where the factory is settling the balance of leave each month in the case of non-utilization during the month, and this shows that the factory compensate the worker for the balance of leave materially during each month, but in the case of the worker's request for a long annual leave is not compensated The worker is materially deducted from it vacations balance. Discuss and base it upon the law, word it where the worker is given preference other wise needed by business demand.

7. The factory is ensuring that all overtime working hours and payments are reflected in one official payroll.

8. A model is currently being designed of pay slips, which will also be translated in Bangladeshi. It is being reviewed through various layers of management. It will take 3.5 months.

Company Action Plan Update

Ready to submit to FLA

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The factory production plan always includes overtime and workers work two hours of overtime every day. The factory's regular working hours are from 7:30 AM to 3:30 PM (with a one-hour lunch break) for six days (for a total of 42 hours). However, the working hours are, in practice, 7:30 AM to 5:30 PM due to daily overtime. By law, weekly working hours are limited to 42 hours.
2. Workers work more than 10 hours a day and 60 hours a week. Since the factory did not provide assessors with the unofficial attendance sheets, certain months and weeks could not be verified. According to the only sheet provided – the attendance sheet for Egyptian workers for June 4, 2016 – four out of 271 workers worked 13 hours, and approximately 50% of the workers worked 12 hours. The management also provided samples of an unofficial salary sheet, covering approximately 45 Bangladeshi workers in Building 1 and 20 workers in Building 2. According to these sheets, the workers in Building 1 worked up to 137 hours a month June and October. Weekly working hours could not be verified since attendance sheets were not provided; however, according to the salary sheets, there are Bangladeshi workers in Building 1 who worked at least 75 hours a week. According to the unofficial salary sheets for 18 Egyptian workers from the past six months, these workers worked up to 112 hours a month in December and April. There are also Egyptian workers worked at least 70 hours weekly.
3. The working hours recording system does not contain any identification method for pregnant, lactating, elderly or young workers.
4. There are currently 21 local young workers in the factory who work nine hours a day (including overtime and excluding break time) like the other workers. Moreover, they work additional overtime when needed - more than 10 hours a day. By law, young workers cannot work more than six hours a day, including overtime.
5. Pregnant workers work nine hours a day (excluding break time). However, the legal daily limit is eight hours, for workers six or more months pregnant.
6. It could not be verified that workers receive at least one day of rest for every seven-day period since the factory did not provide assessors with workers' actual attendance sheets. According to worker interviews 10% of workers work overtime on the rest day, and therefore do not receive a day of rest for every seven-day period.
7. There are currently three lactating workers; however, the factory does not provide these workers any time to breastfeed or pump milk. By law, nursing workers have the right to one hour of breastfeeding per day.

Local Law or Code Requirement

Egyptian Labor Law, Articles 80, 82, 83, 93 and 101, Egyptian Law 126, 2008, Provision of the Child Law, Article 70; FLA Workplace Code (Employment Relationship ER.2, ER.23.5, and ER.24; Child Labor Benchmark CL.4; Hours of Work Benchmarks HOW.1, HOW.2, HOW.4, HOW.5, HOW.7, and HOW.8, Nondiscrimination Benchmark ND.8)

Recommendations for Immediate Action

1. FLA affiliated brand should ensure that factory management is aware of FLA benchmarks including requirement of providing documents to assessors commissioned by the FLA
2. Ensure that daily working hours (regular + overtime) do not exceed 10 hours.

3. Ensure that weekly working hours (regular + overtime) do not exceed 60 hours.
4. Ensure that young workers do not work more than six hours per day.
5. Ensure that the workers who are six or months pregnant do not work more than eight hours per day.
6. Ensure that the time records contain the identification of workers under age 18, pregnant, and lactating workers.
7. Provide workers at least one day (24 consecutive hours) of rest for every seven-day period.
8. Provide lactating workers with breastfeeding time.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory will make sure employers shall comply with all national and local laws and FLA benchmarks, regulations and procedures concerning hours of work, public holidays and leave, and factory shall have in place practices that conduct regular analysis of hours of work in their workplaces with a view to progressively reducing excessive hours of work.

2. Factory will not Build production plan and set production targets, and system at such a level that workers need to work beyond regular working hours which is 8 regular working hours daily as set under the Landau and FLA and the Egyptian labor law , excluding overtime, in order to make at least the minimum wage or the prevailing industry wage, whichever is higher.

3. Factory will make sure that total working hours will not exceed 10 hours daily and 60 hours weekly.

4. PLS refer to Decision No 230 for year 2007 concerning the young workers contract. By modifying the ministerial order No. 175 for year 2003 with regard to the regulated rules and procedures for Vocational Graduated. 5. Factory provided all the documents requested by the auditor, and will take into account the submission of documents in full and no shortage. (Please refer to article 91, article 93 of the Women's Code)

(Article 91)

A worker who has spent ten months in the service of one or more employers shall be entitled to a 90-day maternity leave with equal compensation for the full wage including the period preceding and subsequent to the condition, provided that a medical certificate is given indicating the date on which the situation is likely to occur.

The worker may not be employed during the 45 days following the situation.

The maternity leave is not more than twice the length of the worker's employment.

(Article 93)

A worker who breastfeeds her child within the 18 months following the date of the situation - as well as the prescribed rest period - shall have the right to two other lactation periods of not less than half an hour, and the worker shall have the right to combine these two periods.

These two additional periods of working hours shall be calculated and shall not result in any reduction in remuneration, As for young workers from 16 to 18 years old we are working in accordance with Resolution No. 230 of 2007, as amended by Ministerial Decree No. 175 of 2003 (PLS see attached Arabic & English translation) on the rules and procedures governing professional graduation. Article 7 states:

- The rules of vacations, hours of work, and rest periods shall be applied on the graduates according to the articles from 47 to 50, and from 80 to 87 of labor law and the ministerial orders implementing thereof.

6. As of March 2017, the worker's status was determined (graded (16-18) - pregnant – Lactating) in time record sheet.

7. Done and will make sure all workers take 24 hours rest as per law.

8. Starting from Feb 2017 factory implement Article 93 and 94 of the Labor Code regarding lactating and maternity leave and lactation.

9. Code of Conduct posted in factory

Company Action Plan Update

Ready to submit to FLA

FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. The factory does not have any procedures for Retrenchment.

2. The termination procedure does not include methods for calculating final pay-outs, in accordance with the legal requirements.

3. The factory does not formally define, in writing the person(s) responsible for Termination & Retrenchment in all areas within the factory.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19 and ER.32)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The Egyptian Labor Law or the Egyptian Investment Law does not require the company to pay a pension for employees. However, there is the Social Insurance Law. It is binding on all companies in the private sector to involve the employees in the insurance fund, according to Law 12 of 2003. According to Article 125 of Law No. 12 of 2003 , And article 126, which states: "A pension is payable after reaching the age of 60 years and is entitled to a half-month's reward for each of the first five years and one month for each of the following years."

2. Auditor's statement "The termination procedure does not include methods for calculating final payouts, in accordance with the legal requirements." PLS find attached the factory resignation type procedures.

3. Auditor's statement "The factory does not formally define, in writing the person(s) responsible for Termination & Retrenchment in all areas within the factory." PLS find attached the factory resignation type procedures.

Company Action Plan Update

Ready For FLA

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. There is no information regarding suggestion boxes in the Grievance System procedures.

2. The procedures for the Grievance System cover the complaint process including immediate supervisor, manager, factory manager, and worker representatives. In practice, worker representatives do not function as a way to communicate grievances or suggestions. Workers are not provided with information on who worker representatives are or their responsibilities.

3. The grievance boxes are located at the entrance of the production floor, instead of in places that would ensure confidentiality, such as toilets and/or locker rooms. Moreover, workers do not have information on the function of the grievance boxes and therefore workers do not use boxes at all.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1 and ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will update the procedures in next management meeting in august 2017 .

2. The process of selecting 'representatives workers was through the elections, where specific specifications were set by the administration to select the representatives workers, and polling was carried out through polling tables for 17 representatives of workers, 3 of them are Bengali as it show in attached.

Also, our grievance system has two twofold, the 'representatives workers as explain above and complaints box. And We register all the complaints and suggestions and register the solutions.(as show in attached)

3. Already moved the Suggestions and complaints box next to the clinic and changing room.

4. Created a complaint and suggestion committee, see attached files

Company Action Plan Update

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

- 1.Although management declared that worker representatives are elected by workers, no vote records were available and workers were not aware of the worker representative system. According to the meeting logs for the Health & Safety Committee, worker representatives participate those meetings; however, rather than joining those meetings the representatives are not actively working in order to represent the workers. Moreover, there is no Bengali representative participating on the Health & Safety Committee meeting.
- 2.The factory does not provide any office space or other facility for worker representatives.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.25. and ER.26; Freedom of Association Benchmarks FOA.1 and FOA.15)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The process of selecting workers representatives was through the elections, where specific specifications were set by the administration to select the representatives workers, and polling was carried out through polling tables for 17 representatives of workers, 3 of them are Bengali as it show in attached, also the health & safety committee representative is deferent than the workers representatives as show in attached.
2. A meeting room was provided in the administrative building in the upper floor, including the Safety Committee and the Workers' Representatives Committee.

Company Action Plan Update

Ready to submit

FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

- 1.Workplace Conduct & Discipline procedures do not include the requirement to record and file all warnings and disciplinary actions. Additionally, there is no procedure for workers to appeal the disciplinary action.
- 2.The factory does not have a written set of workplace rules and regulations.
- 3.Disciplinary actions are not witnessed by a third party during imposition.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1- Procedures already in place, see attached copy from factory manual (procedures for file all warnings and disciplinary actions.)
- 2- Factory already have manual contain all procedures, rules and regulations of work also includes disciplinary proceedings In the Labor Law No. 12 of 2003 and the regulations governing it and the company's internal regulations.(See cover page photo in

attached).

3- Disciplinary actions are not witnessed by a third party during imposition.

The factory does not have this procedure because it is not included in the Egyptian Labor Law or any of its regulations and it is considered a private employee's violation point.

Company Action Plan Update

ready to review by FLA

FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not provide all standing workers with anti-fatigue mats, however, the ironing section workers are provided with anti-fatigue mats.
2. Approximately 40% of the sewing machines have the proper eye and finger guards. Of the remaining sewing machines, some of them do not have any machine guards or the guards have been displaced by workers.
3. The forklift in the import warehouse does not have a seatbelt.
4. In both the import and export warehouses, boxes and materials are stacked too high, which carry a risk of falling.
5. Although the factory conducts noise measurements, it does not include the embroidery sections in the measurement.
6. The safety instructions that are posted near machines are only in the factory's local language and not also in the migrant workers' native languages.
7. The factory does not take proactive steps to reduce repetitive-motion stress or injuries.
8. The factory does not provide adjustable seats for sitting workers.
9. The factory has not trained workers on the proper lifting techniques or provided them with lifting belts.
10. The factory has not provided maintenance staff with received specific training on maintenance safety.

Local Law or Code Requirement

Egyptian Labor Law 12/2003, Book 5, Articles 208, 209 and 219; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.8, HSE.14, and HSE.17)

Recommendations for Immediate Action

1. Provide proper machine guards for all sewing machines. Ensure the guards are not removed or displaced by the workers. Train workers on the proper use of machine guards. Regularly monitor for compliance.
2. Install a seatbelt on the forklift in the warehouse.
3. Store materials at a proper level and provide shelves for boxes. Post signs indicating maximum stacking height.
4. Include the embroidery section in the noise measurement. Provide ear protection to workers if needed.
5. Provide the relevant workers with lifting belts.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory has provided chairs to all workers, including those that have standing positions. Those include in the areas of Quality, finishing, cutting, numbering, and help.
2. All missing machine guards, were reinstalled. All operators were made aware of the importance of keeping machine guards on the machine and the safety importance of keeping the guards on the machines. A monthly inspection checklist has been developed to make sure this is being followed, see attached file.
3. A seatbelt on the forklift was installed and it is fully operational, see attached file. He was given instructions not to work on the forklift without the seatbelt and the security department was notified to monitor the operation. See attached file
4. The factory has started to make changes in the height of the suggested storage of the export storage. It will continue for the next 5 months, as the shelves are manufactured with special specifications. See attached file
5. The factory has acquired lifting belts, see attached file.

6. Safety instructions will be translated to Bangali (How to use Fire Extinguishers in Bengali) this should take two months.

Company Action Plan Update
Ready to Submit to FLA

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The maintenance room in Building 1 factory was untidy; the cover of the electrical panel was open and all the cables inside the panel are covered in dust.
2. The factory does not have a proper lightning protection system.
3. The factory has not established or implemented a lockout-tagout procedure for equipment or machinery that is damaged or out of service.
4. The ladder used in the import warehouse does not have a handrail. A ladder in the export warehouse is not properly stabilized.

Local Law or Code Requirement

Egyptian Labor Law 12/2003, Book 5, Article 209; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.13 and HSE.14)

Recommendations for Immediate Action

Keep the covers of the electrical panel closed to ensure that the panels remain free of dust and lint.
Ensure that ladders are properly stabilized and have handrails to protect workers from falling.

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1- the factory will make sure All necessary ventilation, plumbing, electrical, noise and lighting services must be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility, and all production machinery, equipment and tools shall be properly guarded and regularly maintained.
- 2- The factory can not find any Egyptian law that shows what is necessary for the company to take lightning protection measures, noting that the factory has certificates from the Engineers Syndicate stating that the factory is safe from the engineering side and the electrical side, and these certificates are now being translated into a specialized office and they will be sent the official translation in a couple next week.
- 3- The factory maintenance and compliance team reviewed all all ladders in both stores and could find any stairs without handrail. See attached file. If the auditor has a picture or details it will help identify ladder, so corrective action can be taken.
4. Syndicate stating that the factory is safe from the engineering side and the electrical side, and these certificates are now being translated into a specialized office and they will be sent the official translation in a couple next week

Company Action Plan Update
Ready to submit to FLA

FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There are pieces of cardboard boxes on the emergency aisle leaving from the secondary exit in Building 1. Moreover, there is a misleading emergency exit sign that does not direct workers to the emergency assembly area; instead it leads to a narrow corridor between buildings.

2. One of the emergency exits in Building 1 was stuck and does not easily open, although it is a push-bar door.
3. One of the evacuation maps in Building 1 needs to be revised as it is upside down and hung at a high level that is not visible to the workers.
4. At the time of the assessment, a car was parked in the emergency assembly area.
5. The emergency exit door of the mezzanine on Building 2 opens inwards. Moreover, one of the fire extinguishers on the mezzanine of Building 2 is totally invisible and obstructed by dress stands.
6. Outside the secondary exit door in the export warehouse that leads to assembly area, the evacuation aisle is obstructed with box pieces and materials, such as wire fence rolls.
7. In the export warehouse, the embroider section is missing a fire extinguisher.
8. In the import warehouse, one of the emergency exits was obstructed with boxes and one of the fire hoses was blocked with pallets. Moreover, throughout the import warehouse pallets and material boxes are sitting in emergency evacuation routes.
9. There are no signs inside the import warehouse directing workers to the emergency assembly area.
10. The entry and exit of one of the stain removing rooms in Building 1 was blocked by trolleys of products, while a stain remover was working behind those trolleys and totally obstructed.
11. There is no system in place to account for all workers during an evacuation.

Local Law or Code Requirement

Egyptian Labor Law 12/2003, Book 5, Article 214; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5 and HSE.6)

Recommendations for Immediate Action

1. Ensure that the emergency evacuation routes both inside and outside the factory are not obstructed by any materials or boxes. Clear all obstructions from all evacuation routes.
2. Fix the emergency exit door in Building 1 and ensure that it easily opens during an emergency.
3. Ensure that all evacuation maps are hung correctly and at the correct height.
4. Ensure all emergency exit doors and fire extinguishers are free from obstruction. Regularly monitor for compliance.
5. Install a fire extinguisher in the embroidery section
6. Post signs in the import warehouse directing workers to the assembly area.
7. Ensure that stain removing rooms entry and exit remain unobstructed at all times.
8. Establish a system to account for all workers during an evacuation to ensure their safety.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Already removed all items from aisles and strict instructions have been directed to the production in charge and factory managers not to tolerate under any circumstances placement of any items or raw materials or products in the main corridors and subsidiary and also escape doors, and is currently tracking the production processes within the factory and study the possibility of providing storage places for materials whether under examination or operation and also provide additional temporarily places to store products until they are routed from production to final stages.(PLS check photos)
2. All exit doors have been cleaned and repaired
3. All maps were reviewed and modified and the assembly locations were identified in each map (as shown to the attached photos)
4. There was in this day an emergency situation caused to park the car in this place, knowing that this place is specially prepared for emergency situations
5. We don't have any exit doors open inwards and we are approved by Wal-Mart, in this specified mezzanine it contain two exit doors first one without door and the other open outward as it show in photo attached. All exit doors hase been vereified to open outwards.
6. Post signs in the import warehouse have been removed this was caused to temporary for some maintenance process.
7. Currently, the factory purchase three fire extinguishers, and until receiving them from the supplier they have provided the section with 1 fire extinguisher 100 kg incursions and another 25 kg were placed beside the doors of escape from outside to facilitate dealing with any emergency fire to God, also reviewed the fire alarm network to ensure its effectiveness.
8. All obstacles and obstructions have been removed from routes, aisles, and emergency doors.9. All sign attached in emergency plan in each exit door.
10. Already removed all blocked items from stain removing room and a strict instructions have been directed to the production in charge and factory managers not to tolerate under any circumstances placement of any items or raw materials or products in stain removing room , and H&S currently tracking the production processes within the factory.
11. The plan to account for all workers during an evacuation is as follows:
 1. There are 5 assembly points in the factory, each with an area of about 350 to 500 workers.

2. Two Supervisors are assigned from each production line to carry out the evacuation.
3. These supervisors are trained in their own assembly area, and exit path so that no other groups are blocked to the assembly point during implementation.
4. During the evacuation, supervisors are assigned an individual one is responsible for evacuate workers from the line, and the other is responsible for receiving workers in their specific area in assembly point.
5. Delivering to both supervisors a paper with the number of employees present today and issued by the H.R Department.
6. Each official shall ensure that the number written in the paper is the same as the number in the line and in the assembly area after the evacuation to make sure no one left.
7. When the line is completely empty, both supervisors go to the assembly point to make sure the number of workers in the assembly area are the same and put their signature before hand over to Compliance Manager.
8. If any missing both supervisor share check the line again with assistant from factory manager and security.

Company Action Plan Update
Ready to Submit to FLA

FINDING NO.15

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

- 1.The stain removing process is conducted in two separate rooms on the production floor in Building 1. In these two rooms, there is a fan system; however, rooms with the stain removing machines do not have adequate ventilation systems above the stain-removing tables.
- 2.The MSDSs of the chemicals (Acetone, Spray Powder) are not according to International standards (it should contain 16 sections). Moreover, both the MSDSs and use instructions for the chemicals are old and damaged.
- 3.The factory has not provided the stain removing workers with the appropriate masks; instead the workers use dust masks.

Local Law or Code Requirement

Egyptian Labor Law 12/2003, Book 5, Article 211; FLA Workplace Code (Health, Safety & Environmental Benchmarks HSE.7, HSE.9, and HSE.10)

Recommendations for Immediate Action

- 1.Install a proper ventilation system in the stain removing rooms.
- 2.Ensure that all MSDSs are prepared according to international standards and posted in areas where chemicals are used. Regularly monitor MSDSs to ensure instructions are easily read and renew when necessary.
- 3.Provide proper PPE for chemical use instead of dust masks.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. All stain removers contain ventilation and suction. Stain remover room where there is no roof there is a constant airflow allowed being generated by fan and open environment, which is at greater advantage to an enclosed area. In addition there are better improved mask being utilized.See attached file
2. The MSDS were renovated and new instructions were set up.. see attached file
- 3- Respirator were changed to be with an air filter and changed to thicker gloves and resistant to chemicals See attached pictures

Company Action Plan Update
Ready to submit

FINDING NO.16

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not properly manage the health and safety conditions of the dormitory (where only migrant workers live).
1. There are no fire alarms or a sufficient number of fire extinguishers, for example; there is no fire extinguisher in the kitchen.
2. The existing extinguishers are not inspected.
3. No fire drill has been conducted in the dormitory.
4. Workers cook in the corridors of the dormitory with small gas cylinders which carry risk of fire.
5. The electric system of the dormitory has not been inspected.
2. There are general sanitary issues in the migrant worker dormitory.
1. Bathrooms, kitchen, and food storage areas are not adequately sanitized.
2. There are no doors on the shower stalls.
3. One of the toilets is broken and the water flows directly on to the floor in one of the bathrooms.
4. Most of the toilets are broken and do not flush.
5. There is no pest control in the dormitory.
3. The first aid box in the embroidery section is empty.
4. The toilets throughout the factory buildings are not adequately cleaned and sanitized; toilets were dirty and the floors were wet throughout. Furthermore, there are wet pieces of fabric on the floor of the bathrooms, which poses a risk of slipping and falling.
5. The factory does not provide a dining area for male Egyptian workers.

Local Law or Code Requirement

Egyptian Labor Law 12/2003, Book 5, Articles 210, 212, 214, 215, 220 and 222; FLA Workplace Code (Health, Safety, & Environment Benchmark HSE.1, HSE.6, HSE.19 and HSE.25)

Recommendations for Immediate Action

1. Implement a system to ensure proper health and safety conditions in the migrant workers' dormitories:
1. Install fire alarms and an adequate number of fire extinguishers in migrant workers' dormitory and inspect regularly.
2. Conduct fire drills that include all workers living in the building. Ensure that workers receive training in fire safety.
3. Properly sanitize the kitchen and food storage.
4. Ensure that workers do not cook in the corridors with gas cylinders
5. Provide doors for shower cabins
6. Fix sinks in bathrooms.
7. Regularly inspect the electrical system to ensure its safety.
2. Fill the first aid box with the proper materials and inspect regularly.
3. Ensure that toilets are adequately sanitized and free from any slipping risks.
4. Provide a dining area for the male Egyptian workers

COMPANY ACTION PLANS

Action Plan no 1.

Description

Items 1 and 2 were reviewed and addressed with workers and it was a mutual agreement to terminate current dormitory accommodations.

Company Action Plan Update

Based on the desire of the workers to leave the housing provided by the company and to have independence to find own accommodations with their friends and relatives as it is the same treatment with the rest of the employees in the company. The company has closed the housing permanently and it was agreed with the workers to give them the monthly rent.

Action Plan no 2.

Description

1 and 2. Based on the desired of the workers to leave the housing provided by the company and independence in their own accommodation with their friends and relatives as is the treatment with all employees in the company. The company has permanently closed housing and it has reached a mutual agreement with the workers to give them the monthly rent of housing, so they they can rent their own housing. In the case of appointing any worker who has no housing, the factory Provided accommodation for him with colleagues or stay in a nearby hotel until the settlement his situation is either finding accommodation for him or sitting with colleagues of his choice, and in all cases the factory pays a housing allowance for all foreign workers and also pays food allowance and provides them with their transfers. In the case of appointing any worker who has no housing, the factory Provided accommodation for him with colleagues or stay in a nearby hotel until the settlement his situation is either finding accommodation for him or sitting with colleagues of his choice, and in all cases the factory pays a housing allowance for all foreign workers and also pays food allowance and provides them with their transfers.

3. First Aid box in the embroidery department has been replenished, see attached file.

4. Housekeeping team was requested to make sure all bathrooms were clean and dry. There was going to be an hourly follow up. See attached file

5. The factory will find or build a location for Egyptian workers to dine. This should be completed within 4 months.

Company Action Plan Update
Ready to submit to FLA

FINDING NO.17

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The factory's procedures on Health & Safety do not include information on measures to protect the reproductive health of workers through minimizing exposure to workplace hazards, how workers can raise health and safety concerns, and protection against retaliation for workers who raise health and safety concerns.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.31, Nondiscrimination Benchmark ND.8, Health, Safety & Environment Benchmark HSE.12)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory has , risk assessments, preventive safeguards, and environmental improvement programs. See attached file for Risk assessment analysis.

Company Action Plan Update
Ready to submit to FLA

FINDING NO.18

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory separates and properly disposes of medical waste, fabric waste, and paper waste; however, it does not separate other hazardous waste such as florescent bulbs and chemical cans used in stain removing. Instead it is mixed with the domestic waste.

2. The fabric waste storage area is not secure and protected;

3. Fabric waste is placed on the ground near the paper box storage area and is not properly segregated.

4. The environmental procedures do not enable workers to raise environmental concerns. There is no procedure to report environmental emergencies. Existing procedures do not include protections for workers who allege environmental violations.

Local Law or Code Requirement

Egyptian Labor Law 12/2003, Book 5, Article 211; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.31; Health, Safety, & Environment Benchmarks HSE.1 and HSE.9)

Recommendations for Immediate Action

1.Ensure that florescent bulbs and chemical cans are separated, stored, and disposed of properly.

2.Provide a separate, secure, and protected storage area for the fabric waste.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The waste collection system has been changed. See attached file.
2. There is a specific area for assembling fabric waste and it is marked and secured See attached file
- 3.4- Please specify more about what is meant by environmental concerns and what environmental violations can occur in a factory within a free zone controlled by the Ministry of Environment and the Investment Authority

Company Action Plan Update

Ready to submit to FLA

There is a pending questing, as we are not clear.