



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Fast Retailing Co., Ltd.
COUNTRY: Morocco
ASSESSMENT DATE: 12/20/17
ASSESSOR: FLA EMEA
PRODUCTS: Apparel
NUMBER OF WORKERS: 290

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: Policies & Procedures (Macro)

Finding Explanation

1. The factory does not conduct periodic internal assessments of working conditions. ER.1
2. The factory does not have a written policy and procedures governing all aspects of Retrenchment. ER.1 ER.32

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Set up of checklist to evaluate the working conditions in all the workshops with a periodicity of twice a year.
2. a written policy and procedure governing all aspects of reduction will be put in place.

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory does not provide specific training to the relevant supervisors on any of the Employment Functions. ER.1 ER.17 ER.27
2. The factory does not provide ongoing training to workers on any of the Employment Functions. ER.1 ER.15

Local Law or Code Requirement

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Trainings are given to supervisors on their duties, such as the first mechanical interventions, the role of the chain manager and a document signed by the beneficiaries. Other trainings will be given and will be periodic, entered on a register, with signatures of the participants and followed by evaluations. Training will be provided to staff during the weeks: S-11 and S-37
2. Twice a year all employees: management, supervisors, employees, and workers will receive training on the conditions of work, disciplinary system, complaints system. According to the following schedule:
Spread out all week: S-11 and S-37.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory has no written job descriptions for managers, supervisors and workers. ER.1
2. The factory does not provide workers with written copies of their employment contracts. ER.5
3. Seven apprentice workers do not have personal files, identity documents or contracts available. ER.11

Local Law or Code Requirement

Moroccan Labor Code dated on 06 May 2014 Article 15 and Article 148; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.5 and ER.11)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Descriptions of all existing positions in the company have been finalized and will be communicated to all staff and each new recruit.
2. We give them a copy, but from 01/03/18 this copy is wet stamped.
3. Since the apprentices had just started with the company we did not have their files, but the day after the audit we brought them back to the listener.
Currently, we have 6 apprentices.

FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. Seven apprentices who are above 20 years old, are actively involved in the ongoing production efforts, but are paid under the legal minimum wage. The facility paid them only 25 USD per month as transportation allowance, but no other compensation although they

perform regular work like sewing. They are employed at the factory for up to 6 months. ER.13, C.1, C.2, C.3

2. Workers' pay slips are in French, not Arabic (the language most workers speak). There is no translation posted anywhere. Interviewed workers reported that they have difficulties understanding the components of the pay slips. C.14, C.17

Local Law or Code Requirement

Decree N° 2-14-343 of 12th June published in BO n°6272 on July, 10th, 2014 dealing with legal minimum salary ; FLA Workplace Code (Employment Relationship Benchmarks ER.13; Compensation Benchmarks C.1, C.2, C.3, C.14 and C.17)

Recommendations for Immediate Action

1. Pay all workers, including apprentices, at least the minimum wage.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Law 13.00 allows companies to create training units to carry out vocational training in order to improve employability and improve competitiveness.

And for that we have set up a training center internally and which is outside the production workshop. And we are in the process of dealing with the competent authorities for the authorizations.

2. A copy of a payslip translated into Arabic is posted on the bulletin board.

Training will be provided to staff during week 11 and recorded on a register.

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. Time keeping system is not effectively used by 31 new workers who were hired July 2017 and are not included in the electronic time attendance system. They are not provided a magnetic card to record their attendance time. Due to plans to change the time recording system in the near future, supervisors are manually keeping the time records of all new workers since July. ER.2, ER.22

2. The factory does not have a system in place to identify workers who are pregnant or breastfeeding. HOW.5

3. While the factory does provide one hour paid leave daily for breastfeeding, there is no breastfeeding room. At the time of the assessment, there were 14 workers who were breastfeeding. ND.1 ND.8

Local Law or Code Requirement

Moroccan labor code dated on 6 MAI 2004, article 279 dealing with the obligation for the employer to keep a reliable time records. FLA Workplace Code (Hours of Work Benchmarks HOW.5; Employment Relationship Benchmarks ER.2 and ER.23; Non-Discrimination Benchmarks ND.1 and ND.8)

Recommendations for Immediate Action

1. Give all workers magnetic attendance cards and include them in the electronic time attendance system.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Currently, all staff are pointing using footprints. On the other hand, the link with the system pays "Sage" is still in test.

2. Anyone who is pregnant automatically brings back a doctor's certificate

3. We will create a new space for the infirmary and nursing room. The infirmary also plays the role of breastfeeding room.

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. Workers have to ask their supervisors for the restroom pass in order to go to the restroom. There is only one pass available for each production line, and workers have to wait until the pass is returned to use the restroom. There is an exception to this rule for pregnant or sick workers. H/A.7 HSE.21
2. The factory carries out security checks, including body searches, scanning, and bag searches, on a daily basis as workers exit the factory. H/A.10
3. The facility does not have any female security guards. The workforce is 90% female and 10% male. H/A.10

Local Law or Code Requirement

FLA Workplace Code (Harassment or Abuse Benchmark H/A.7 and H/A.10; Health, Safety & Environment Benchmark HSE.21)

Recommendations for Immediate Action

1. Cease the practice of requiring workers to ask for a restroom pass. Allow workers to use the restroom whenever they need. Do not restrict the number of workers who can use the restroom at one time.
2. Cease the practice of performing daily body searches for all workers.
3. Ensure that the number of female security guards is proportionate to the gender distribution of the workforce.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We have two breaks of 10 minutes: one in the morning at 10 am and the other in the afternoon at 15:30 in addition to the lunch break of one hour at 1 pm and given the limited number of toilets we were forced to impose a rule for the use of the toilet. Now, after the work has been done, the number of toilets has increased and people can go to the toilets without a token with the following rule of thumb: do not go to the bathroom half an hour after each entrance and half an hour before going out.
2. We plan to eradicate this practice at the end of 1st semester - 2019.
3. Currently we have one

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory does not have a system in place to respond to any unexpected environmental emergency such as a chemical spill or gas leak. HSE.5
2. Hazardous and non-hazardous Wastes are collected in the same area without segregation. HSE.1
3. The factory does not perform the Environmental Impact Assessment. HSE.2 HSE.4 ER.31
4. The factory is not making efforts to reduce environmental impact. HSE.1

Local Law or Code Requirement

Dahir n° 1-06-153 dated on 22 November 2006 dealing with hazardous and non-hazardous waste management and Dahir n° 1-03-60 Dated on 12 May 2003 on legally required environmental impact analysis ; FLA Workplace Code (Employment Relationship Benchmark ER.31, Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.4 and HSE.5)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The company has planned actions with an external firm for the environmental study, and training is planned for week 20.

2. Since April 2018, a selective work of waste is done:

At first we started to collaborate with a company specializing in the material for the collection and recycling of paper and cardboard (the collection vouchers opposite) that we pile up in a place reserved for that.

- food waste is recovered by the trucks of the municipality.

The fabric falls we put them in a big bin and sent thereafter for cremation.

-The scrap waste collected in a place apart.

3/4. The management of Tobago has been engaged in an environmental approach in a gradual manner through the implementation of good practices to reduce its impact on the environment

By reducing its consumption of water and energy:

By installing a system that relies on technology that optimizes voltage and current as needed to reduce the power used on demand. It is a large control box, by means of capacitors which it is equipped, which stores the surplus electricity during the peaks and restores it according to the needs of the electrical devices.

Optimize lighting: the lamps and their reflectors are cleaned regularly (according to a program)

During the holiday all our classic lamps have been changed by LEDs

regularly the premises are cleaned and repainted in light tones

(cleaning according to a program),

The lights are off when leaving the offices, workshops.

By driving out water leaks and by training and informing employees in this way.
preventing and limiting the production of waste.

Sorting the waste in the first place and seeing partners later (May / 17)

to evacuate each type of waste for recycling.

Household waste: bin separately and picked up by the municipality.

Cartons and papers.

plastics

Fabric falls

Collect the toner cartridges and isolate them before recovery by the dealer.

Using the second side of already printed papers

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Some beams on the racks in the warehouse area are bent. The facility has not posted the allowed load limit labels on shelves. HSE.1

2. The factory does not have a structural safety report to prove that the building and additions are structurally safe. Two mezzanine floors which are used as administrative and cutting sections, and workers work on and under these sections, does not have a structural safety report. HSE.1

3. The facility did not perform the grounding report of the electrical system. HSE.13, HSE.1

4. There are no insulator mats in front of the electrical panels. HSE.13, HSE.1

5. The facility has not installed lightning protection on the factory building. HSE.13, HSE.1

6. The live and neutral wires are reversed in some sections. HSE.13, HSE.1

7. Some sockets and extension plugs are without grounding connection. HSE.13, HSE.1
8. All warehouses are not equipped with covered lights. HSE.13
9. There is not a system in place for testing RCDs (Residual Current Devices) on a periodical basis and ensure that they are in good working condition. HSE.13, HSE.1
10. A part of the roofing material of sewing section could be made of asbestos containing material. The facility did not provide any analysis of the roofing material of the sewing section. HSE.1

Local Law or Code Requirement

Decree of 28 June 1938 completed by decrees of 04 April 1940, 20 July 1945 and 28 December 1951 on protection of workers from electricity risk. Decree of 31 December 1951 on regulatory electrical inspections. Decree 78-621 1978-05-31 JORF 8 June 1978 on the obligation of performing a structural safety study by an accredited expert for all buildings or additional structures. Decree n:2-12-387 dated on 14 September 2012 completing and modifying the decree n° 2-98-975 dated on 23 January 2001 on protection of workers from asbestos containing material ; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.13, and HSE.14)

Recommendations for Immediate Action

1. Regularly inspect and maintain the racks in the warehouse area. Immediately repair any bent racks.
2. Provide a structural safety report to prove that the buildings included the two mezzanines are structurally safe.
3. Perform the grounding report of the electrical system.
4. Place insulator mats in front of the electrical panels.
5. Install lightning protection on the factory building.
6. Ensure that electrical wiring work carried out in a professional manner and there are no live-neutral reverse wiring in any part of the factory buildings. Provide a multifunctional test device for the maintenance team and ask them to conduct periodic tests.
7. Ensure that all sockets and extension plugs are with grounding connection.
8. Equip all warehouses with covered lamps.
9. Write and implement a procedure to periodically test the RCDs throughout the factory. Provide a multifunction test device with RCD testing capacity for the maintenance team and ask them to conduct periodic tests and keep all relevant documentation.
10. Perform a laboratory analysis of the roofing material of sewing section.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. After the work and the installation of the store in new premises, new shelves are bought and carry labels indicating the maximum load.
2. We contacted two firms the fees are very distinct and the approach is different. Quotes are still in study.
3. Done and will be controlled by external organization (Apave) in the 1st quarter of 2019. We will not fail to send you the reports as soon as they are established. The installation will be controlled by external organization (Apave) in the 1st quarter of 2019, the date is fixed at: 31/12/18.
4. All electrical cabinets are equipped with insulating mats
5. Discussions with the owner of the premises are outstanding. The valuation of the cost is outstanding.
- 6/7. An intervention of the company, which has been outsourced the electrical work, has been done. The installation will be controlled by external organization (Apave) in the 1st quarter of 2019, the date is fixed at: 31/12/18.
8. We can not cover the lights for more light and easy cleaning of the reflectors.

9. The cabinet of the workshop was redone with differentials on which there is a test button. The installation will be controlled by external organization (Apave) in the 1st quarter of 2019, the date is fixed at: 31/12/18.

10. In collaboration with the owner of the premises, and to remove all doubt, the company decided to change the roof of the two workshops: quilting and export.

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not have a centralized and battery powered fire alarm system in place, there is only one fire alarm button in the sewing section and other areas are without fire alarm button. HSE.5 HSE.6
2. Two emergency lights were not working in the canteen and kitchen area. HSE.5
3. No LPG detectors in canteen area where LPG is in use. HSE.6
4. Some emergency exits do not open outwards. For example the cutting section's exit opens inwards and the main exit from the sewing section is a sliding door. HSE.5
5. The facility has not performed a fire risk assessment. HSE.1 HSE.15
6. The factory does not have a valid fire license (prevention certificate) as required by local law. Factory management declared that they have obtained the fire license. However the document was lost. HSE.4 ER.2
7. Emergency evacuation aisle in warehouse which represents also a second exit of the sewing section, is narrow (80 Cm) and obstructed. HSE.5

Local Law or Code Requirement

Decree n°1003-15, Published on the BO n°6356 dated on 30 April 2015 on dealing with the safety and prevention of fire and explosion risks in occupied buildings. Safety guide book of the national fire brigade Published on July 2015 ; FLA Workplace Code (Employment Relationship Benchmark ER.2; Health, Safety & Environment Benchmark HSE.1, HSE.4, HSE.5, and HSE.6)

Recommendations for Immediate Action

1. Install a centralized and battery powered fire alarm system in the factory.
2. Write and implement a procedure to periodically test emergency lights.
3. Install LPG detectors in the canteen area where LPG is in use.
4. Renovate the emergency exits in the cutting section and sewing section so that they open outwards.
5. Perform the fire risk assessment.
6. Start the process to obtain a valid fire license.
7. Enlarge the emergency evacuation aisle in warehouse and ensure that all emergency evacuation aisles are not obstructed.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The Company has a centralized fire alarm system powered by battery. And currently, in each workshop there is a fire alarm button.
2. We changed them. Currently, we are doing a monthly check of all spare blocks that we log on a registry.

3. A gas detector is installed in the canteen.
4. After work done on exit doors, currently, all emergency exits have a door that opens outwards.
5. Done
6. We are always in contact with the competent authorities for Obtaining this document.
7. It's a third emergency exit. And yet, after moving the accessory store to the new premises, the corridor will be expanded.

FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The operator at the band saw cutting table in the cutting section was wearing only one mesh glove. The guard in this machine was not positioned properly. HSE.1, HSE.14
2. The grinding machines and drills in the maintenance section are not equipped with the proper protective guards. HSE.1, HSE.14
3. Finger guards on single needle sewing machines were lifted up by workers and two overlock machines are missing eye shields. HSE.1, HSE.14
4. Contracted workers pay for their uniforms until they become permanent workers. HSE.7
5. The facility did not perform the regulatory compressor's vessel control. HSE.4
6. The factory does not perform regular maintenances and inspections for battery powered stacker. HSE.1 HSE.13 HSE.14
7. Handling workers and mechanics were not provided protective shoes. HSE8, HSE.14
8. The factory is not taking proactive steps to reduce repetitive-motion stress and injuries. 90% of the chairs in the factory are not adjustable and are not constructed of a suitable material. Some workstations are not adjustable. None of the standing workers in cutting and quality control sections have been provided with anti-fatigue mats. HSE.17

Local Law or Code Requirement

Moroccan labor code dated on 6 MAI 2004, articles 281 to 289 dealing with Health and safety of workers. Dahir n: 1.03.194 dated on 11 September 2003 on general safety conditions. Decree n:93-08 dated on May 2008 on the employer's obligations to protect workers. Dahir dated on 12 January 1955 on air vessel regulatory control. Decree dated on 03 November 1953 completed by the decree dated on 28 September 1955 on regulatory control of lifting machines ; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.4, HSE.7, HSE.8, HSE.13, HSE.14, and HSE.17)

Recommendations for Immediate Action

1. Ensure that the band saw cutting table operator at cutting section was wearing two mesh gloves in the two hands and ensure that the table saw guard is positioned properly during the cutting operations.
2. Install the proper protective guards on the grinding machines and drills in the maintenance room.
3. Train workers on sewing machines on the proper use of finger guards and ensure that all overlock machines are equipped with proper eye shields.
4. Provide uniforms free of charge for all workers.
5. Perform the regulatory compressor's vessel control.
6. Perform the regular maintenances and inspections for battery powered stacker.
7. Provide handling workers and mechanics with protective shoes.

8. Provide sitting workers with ergonomic chairs and workers in standing position with anti-fatigue mats. Provide workers with adjustable workstations.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. A second glove was given to each cutter. In addition to that, the company proceeded to the machine purchase by a new one.
2. In addition to the glasses worn by the mechanic, the grinder and drills are equipped with appropriate guards.
3. The finger guards are periodically checked, so that the machinists do not lift them. As for the eye shields it's just for cycle machines. And for more security, it has been decided by the management to buy safety glasses for some operators of cycle machines.
4. Blouses are provided to employees at the entrance gratuitement. Practice started from 31/03/18
5. Due to a lack of proof at our supplier (where the compressor was bought), the control will be deferred.
6. For a few months, weekly maintenance and control work has been done on the battery powered Stacker.
7. Since June 2018, all our mechanics and material handlers are equipped with protective shoes.
8. All chairs of the final control and packaging services have been replaced by swivel and height adjustable stools. And the same for some people who have two positions in different workshops. As for stress, we refer our employees (when necessary) to a social worker of a partner association.

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Material Safety Data Sheets (MSDS) of the stain removing chemical is not available for assessors to review. HSE.2 HSE.10
2. The stain removing sections, where hazardous chemicals are used, are not totally isolated from other areas. HSE.9
3. The stain removing operator was provided respiratory mask without quality certification mark (CE). HSE.7
4. There is no eyewash station near the stain-removing machine. HSE.6

Local Law or Code Requirement

Moroccan labor code dated on 6 MAI 2004, article 294 ; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.2, HSE.6, HSE.7, HSE.9, and HSE.10)

Recommendations for Immediate Action

1. Make the MSDS forms of the stain removing chemical available in Arabic and post it near the stain-removing machine.
2. Isolate the stain removing sections from other factory areas.
3. Ensure that all PPEs used by workers have the certification mark (CE).
4. Install an eyewash station near the stain removing machine.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. All suppliers of the products used in the company have been contacted to provide us (fds) as soon as possible. The main instructions of the products used (namely alcohol, and engine lubrication oil) are implemented with both languages: Arabic and French
2. The stain removal section is confined in a room outside the stitching shop
3. A mask with mark of quality certification has been provided to the operator. our PPE purchases carry the quality certification mark (CE)
4. An eyewash station was purchased and put in place.

FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The facility does not perform a drinking water analysis. HSE.23
2. The potable and non-potable water sources are not labeled. HSE.23
3. The facility does not perform dust and COV assessment in any of the production sections. HSE.13
4. Restrooms are not well maintained and well cleaned and are missing soap and hand dryers. Around 80% of the inspected toilet stalls have moisture in the wooden doors which may present health risk to the employees. HSE.19

Local Law or Code Requirement

Decree dated on 04 november 1952 completed by the decree dated on 11 April 1953 and by the decree n°2-56-604 dated on 11 september 1956 on hygienic and sanitary conditions in factories. FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.13, HSE.19, HSE.20 and HSE.23)

Recommendations for Immediate Action

1. Perform drinking water analysis on a regular basis and take necessary actions based on the results.
2. Label potable and non-potable water sources.
3. Ensure that restrooms are clean, well-equipped and well-maintained.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The company commits to do this annually with each entry of annual leave. We contacted a lab in Casablanca that will take care of these analyzes (January / 2019) 2. the labeling was done 3. Quotation requests are outstanding, appointment made for the 1st quarter of 2019. 4. Cleaning is done regularly. And liquid soap dishes were put in place and fed regularly. All doors containing moisture have been redone.

Company Action Plan Update

Update Progress on factory visit on November 19, 2019:

1. There is drinking water analysis provided to the auditor.(Completed)

2. All water sources are now indicated by a "potable or not--potable" card. (Completed)

4. The factory has now 3 workers in cleaning, restrooms were found clean and tidy. Soap is now installed above lavatories. However:

- Cleaning of toilets needs to be improved.

- 2 WC needs to be tiled. (In Progress)

FINDING NO.13

NOTABLE FEATURE

FINDING TYPE: Compensation

Finding Explanation

1. The factory provides workers monthly non-mandatory premiums (up to 225 MAD or USD 25), related to group's production quality level.

2. The factory provides workers monthly non-mandatory premiums (up to 250 MAD or USD 27), related to individual production efficiency.