



COMPANIES: W.L. Gore & Associates GmbH

COUNTRY: Myanmar

ASSESSMENT DATE: 12/13/17

ASSESSOR: One Step Vietnam

PRODUCTS: Apparel

NUMBER OF WORKERS: 1780

Additional notes: W.L. Gore ceased sourcing from this factory in March 2021, due to an updated sourcing strategy. At the time of exit, W.L. Gore made up approximately 8% of the factory's total production. Due to the low production volume, there was not perceived risk of retrenchment due to Gore's exit.

## 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

#### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Recruitment, Hiring & Personnel Development

##### Finding Explanation

The factory does not retain documents such as the labor contracts, copies of identification, the payroll records, or the time records for nine outsourced security guards who are working in the factory. Thus, the working hours, the wages, and the benefits of those security guards could not be verified. ER.2, ER.23.2, C.15

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.23.2; Compensation Benchmark C.15)

##### Recommendations for Immediate Action

Maintain and make available for review all detailed attendance and payroll records of the security service to fully assess the minimum wage and benefits.

#### COMPANY ACTION PLANS

##### Action Plan no 1.

##### Description

Factory retained the ID copies of all security guards (documents attached). Starting February 2018, the outsourced security company will provide the payroll records of the security guards to the factory to verify minimum wage and benefits.

##### Planned completion date

05/02/18

### FINDING NO.2

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Recruitment, Hiring & Personnel Development

##### Finding Explanation

1. The factory has promotion and demotion procedures. However, these procedures are very simple. It includes the statements for promotion and demotion but does not have a handling process or the step-by-step process in the case of promotions or demotions. In addition, there is no criteria to select workers for promotions or demotions. ER.30
2. The factory does not conduct skills tests for new workers. In addition, the factory does not have a procedure for raising or broadening worker skills to advance workers' careers. ER.3, ER.28
3. The factory does not have a policy or procedures for regularly conducting performance reviews or conducting performance reviews after probation. ER.29.1

#### Local Law or Code Requirement

The Payment of Wages Law (2016), Article 4; FLA Workplace Code (Employment Relationship Benchmarks ER.3, ER.28, ER.29, and ER.30)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has improved the clarity of the procedures. Evaluation and performance review by managers/supervisors are added. Please see attached the new procedures which have already been adopted.

Promotion and demotion check list are also set up to help the procedure and execution. Please refer to the attached document.

2. Factory has the skill test section to test the skill of new workers. Please see attached the picture of the test centre. Factory supervisors are monitoring the skill of the workers consistently and providing training and advice to enhance their working skills. Should there be any promotion/demotion, they will evaluate it in the new created performance review report.

3. Factory has created the records for after probation review. Please see attached the form.

#### Planned completion date

05/02/18

## FINDING NO.3

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Review Process (Macro)

#### Finding Explanation

The factory does not have documents to show that the following policies and procedures are regularly reviewed: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Industrial Relations, Health and Safety, Environmental Protection, Termination & Retrenchment, Workplace Conduct & Discipline, and Grievance System. ER.1, ER.29, ER.30, ER.31

#### Local Law or Code Requirement

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

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Regular review system has been established. The first review was made in Feb. The next is scheduled in May. Please see attached the review content and comments.

#### Planned completion date

05/02/18

## FINDING NO.4

## SUSTAINABLE IMPROVEMENT REQUIRED

## FINDING TYPE: Grievance System

### Finding Explanation

1. The factory's grievance procedure is the use of suggestion boxes in private areas to ensure confidentiality. However, this procedure does not have handling processes or a tracking system. ER.25
2. There is no principle of non-retaliation against workers who make complaints. ER.25

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.25)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory implemented a tracking system to handle complaints and grievance. Records are filed with action and follow-ups.

Also, suggestion box policy has been reviewed and updated. Please see attached the updated policy.

2. Non-retaliation policy has been set up and posted. Please see attached the policy.

#### Planned completion date

05/02/18

## FINDING NO.5

## SUSTAINABLE IMPROVEMENT REQUIRED

## FINDING TYPE: Hours of Work

### Finding Explanation

The factory's production plan is based on regular working hours plus overtime hours. ER.24

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.24)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory is working on a production plan based on regular working hours without adding overtime hours in advance.

Planned Completion Date

09/03/18

#### Planned completion date

05/02/18

#### Company Action Plan Update

07/05/18 : Factory is working on a production plan based on regular working hours without adding overtime hours in advance.

## FINDING NO.6

## SUSTAINABLE IMPROVEMENT REQUIRED

## FINDING TYPE: Training (Macro)

#### Finding Explanation

1. The factory does not conduct trainings (orientation and on-going) for their workers about the policies and procedures for the following employment functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Industrial Relations, Health & Safety, Environmental Protection, Termination & Retrenchment, Workplace Conduct & Discipline, and Grievance System. ER.1.1, ER.19, ER.25, ER.27, ER.30, ER.31, ER.32
2. The factory does not provide specific training to the relevant supervisors on termination and retrenchment. ER.17

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.19, ER.25, ER.27, ER.30, ER.31 and ER.32)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. Training policies and procedures were created. Factory has planned for training for the whole year on roster. Please see attached the roster.
2. Termination and retrenchment policy have been set up and training has been provided to supervisors. Please see attached the policy.

##### Planned completion date

05/02/18

### FINDING NO.7

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Compensation

#### Finding Explanation

1. As confirmed by the factory management, resigned workers are paid on the 10th of every following month instead of the end of the wage period which is either the 30th or 31st of each month. ER.19, C.1, C.4
2. The factory has policies and procedures for wages and benefits. However, the policies for two allowances named "attendance" and "other" are not updated or communicated to the workers. ER.1, ER.16

#### Local Law or Code Requirement

The Payment of Wages Law (2016), Art. 4; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, and ER.19; Compensation Benchmarks C.1 and C.4)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. Factory changed the payout date to 30th or 31st of each month and responsible staff was trained accordingly.
2. Policy has been updated on the missing wordings and communicated the changes to the workers. Please see attached the document.

##### Planned completion date

05/02/18

### FINDING NO.8

### SUSTAINABLE IMPROVEMENT REQUIRED

## FINDING TYPE: Industrial Relations

### Finding Explanation

1. The factory does not have written policies or procedures for industrial relations. ER.1
2. The factory has a nine-member worker representative committee. However, they are appointed by factory management and not elected by the workers. FOA.10, FOA.11
3. The factory does not have a dialogue and communication mechanism for the workers, the factory, and the worker's representative. ER.25
4. The factory has a worker's representative. However, there is no Collective Bargaining Agreement (CBA) between the two parties. FOA.16

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.25 and ER.32; Freedom of Association Benchmarks FOA.10, FOA.11 and FOA.16)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory will create written policies and procedures for industrial relations.
- 2 & 3. Currently, factory aided and supported the set up of the worker committee as workers were not very keen to participate. Factory will run the next election with full participation from the workers in May this year.
4. CBA has been initiated - please see attached.

Planned Completion Date

06/04/18

#### Planned completion date

05/02/18

## FINDING NO.9

## SUSTAINABLE IMPROVEMENT REQUIRED

## FINDING TYPE: Workplace Conduct & Discipline

### Finding Explanation

Based on a review of disciplinary forms, two out of five disciplined cases did not have a third party witness of the worker's representative. ER.27.4

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27.4)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Third party witness (worker representative) will be involved in this policy.

Planned Completion Date

02/28/18

#### Planned completion date

05/02/18

#### Company Action Plan Update

07/05/18 : Third party witness (worker representative) has been involved in this policy. Please see attached one of the cases.

## FINDING NO.10

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Termination & Retrenchment

##### Finding Explanation

The factory does not have written policies or procedures for retrenchment. ER.1, ER.32

##### Local Law or Code Requirement

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

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Factory will create a written policy for retrenchment. Besides factory will provide staff training, maintain proper and accurate records and establish regular policy review process.

##### Planned Completion Date

06/04/18

##### Planned completion date

05/02/18

## FINDING NO.11

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Environmental Protection

##### Finding Explanation

The Material Safety Data Sheet (MSDS), the secondary containment, the eye-wash station, and the chemical labels are not provided for the machine oil containers located in the fire pump station and the bathroom water pump station. In addition, there are no chemical labels for the machine oil containers in the generator room. HSE.9, HSE.10

##### Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.9 and HSE.10)

##### Recommendations for Immediate Action

The Material Safety Data Sheet (MSDS), secondary containment, chemical safety equipment and chemical labels shall be provided for all chemicals of the factory when transporting, storing, and using.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

MSDS will be provided in the concerend locations. Chemical labels will be indicated on the diesel container as well as on the machine oil container. Secondary containment will be provided for the identified containers. Eye wash station will be built outside the chemical storage room.

##### Planned Completion Date

03/09/18

##### Planned completion date

05/02/18

##### Company Action Plan Update

07/05/18 : MSDS were provided in the concerend locations. Chemical labels were indicated on the diesel container as well as on

the machine oil container. Secondary containment was provided for the identified containers. Eye wash station was built outside the chemical storage room (pictures attached).

## FINDING NO.12

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Environmental Protection

##### Finding Explanation

The door of down filling machine is broken and has led to the dispersal of cotton dust into open areas which risks harm to workers. HSE.14

##### Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmark HSE.14)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Defective door of the machine will be fixed.

##### Planned completion date

05/02/18

##### Company Action Plan Update

07/05/18 : Door of the machine has been fixed. Please see attached the picture of the machine being found with issue during audit

## FINDING NO.13

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The factory has not obtained a fire license. They are in the process of obtaining this license. HSE.4
2. The factory has one inventory area to store tools and stock near the material warehouse. That area does not have a fire extinguisher. HSE.6
3. One fire alarm located in the canteen area of Factory B and C is not functional. In addition, one illuminated exit sign located in Factory B is not functional. HSE.6

##### Local Law or Code Requirement

The Fire Services Law (1997), Article 26; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.4 and HSE.6)

##### Recommendations for Immediate Action

1. Obtain the fire safety license, as legally required.
2. Equip fire extinguishers at all areas in danger of fire.
3. Ensure that the fire-fighting system and equipment are functional and accessible.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Fire extinguishers have been installed in the warehouse. Fire alarm and emergency light have been installed and fixed in canteen, sealing room and factory B (see pictures attached). Factory is in the process of preparing the application to fire department for fire safety license.

Planned Completion Date



04/30/18

Planned completion date

05/02/18

Company Action Plan Update

07/05/18 : Factory is getting the quotation from the fire department who has the appointed contractors for installing the fire system. Initial checking is that the price is quite vary. Factory believes we need to get more quotation for comparison; target to finish the quotation screening in end April.

## FINDING NO.14

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not have a fire risk assessment. HSE.1, HSE.5
2. One fire extinguisher in the material warehouse and one in the electric room do not have marked identification signs or usage instructions. HSE.6
3. A material hanging shelf obstructed an evacuation map in the material warehouse. In addition, one evacuation map located in the packing area of Factory B does not have a first aid kit location indicator. HSE.5
4. Three lights located near the oil container in the generator room are not covered to prevent explosions. HSE.13
5. At least three exit aisles were obstructed by waste bins and cages. In addition, cargo is blocking the emergency evacuation routes for at least 20 workers in Factory B. HSE.5

Local Law or Code Requirement

Factories Act (1951), Article 40(5); FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.6, and HSE.13)

### COMPANY ACTION PLANS

#### Action Plan no 1.

Description

1. Fire assessment has been established. The first monitoring is made on Feb 20, 18. Please see attached the documents.
2. Identification tag and usage instruction have been posted on the fire extinguisher. Please see attached the picture.
3. Blockage has been cleared. First aid kit sign has been put back on the map. Please see attached the picture.
4. Lights are covered. Please see attached the picture.
5. Blockage has been removed. Factory will ensure to make the emergency exit clear when loading the container.

Planned completion date

05/02/18

## FINDING NO.15

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Health & Safety

Finding Explanation

1. There is no procedure or mechanisms to keep the temperature for storing medicines at the clinic rooms below 30 degrees Celsius, as per applicable standards. HSE.18.3
2. The food samples are not stored for at least 72 hours. In addition, there is no mechanism to maintain the cooling temperature for storing the food samples at or below 4 degrees Celsius, as per applicable standards. HSE.22.1

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.18 and HSE.22)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Temperature in the clinic will be regulated according to the standards.  
2. In Myanmar, workers are preparing their food under oil to maintain the freshness. They are not used to eat cold food. Presently, factory provides an open place with shelter for them to keep their food and no food poisoning case has ever happened. With the suggestion from the auditor, factory will install fans to help the ventilation in where worker's food is placed.

#### Planned completion date

05/02/18

#### Company Action Plan Update

07/05/18 : 1. Temperature in clinic is always set in 23C. Medical supplies are kept inside the cabinet. No one can adjust the temp in the clinic room except the nurse. Please see attached the pictures.

## FINDING NO.16

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

One cutting worker in Factory C was using damaged metal gloves. In addition, three workers in the pressing item section were not using anti-fatigue mats while working., despite the factory providing the mats. Moreover, three workers in the down filling room were not wearing earplugs, as workplace requirement. HSE.8

#### Local Law or Code Requirement

Dispatch from Ministry of Labor, Department of Labor, on Safety, Health and Welfare; FLA Workplace Code (Health, Safety & Environment Benchmark HSE.8)

#### Recommendations for Immediate Action

The personal protective equipment (PPE) shall be used and replaced properly. The factory shall supervise and monitor the use of PPE at the workplaces to protect worker's health.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory has provided sufficient and good quality metal gloves for cutting workers. Workers were trained to use provided PPE (ear plugs in the down room, anti-fatigue mats for standing jobs) and supervisors monitor use accordingly. Training has been conducted to cutting, seam sealing and warehouse by the supervisors on PPE. Subjects of the training are translated in English on the first page for your understanding. This training will be conducted monthly.

#### Planned completion date

05/02/18

## FINDING NO.17

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The factory does not have a child care facility, as legally required. HSE. 1, HSE.27

2. The factory has accident/injury records but there are no procedures for investigations, preventive actions, and payments. ER.1, ER.31

3. The factory has conducted a risk assessment but it did not contain the risk assessments for work-tasks. HSE.14.2, HSE.17
4. The shelves located in the material warehouse do not have the loading capacity or the height limitations posted. HSE.1
5. At least 10 emergency buttons on machines such as the sewing machine, the heating machine, and the down filling machine are not labeled in the local language for workers' reference. HSE.14.3
6. One fire pump pulley guard and one toilet water pump are not covered. HSE.14.1
7. The fire well is not fenced-in to prevent falling. HSE.1
8. The electrical control panel door at the compressor room is not functional. HSE.13
9. The factory has not conducted an ergonomic assessment and does not take proactive steps to reduce repetitive-motion stress/injuries. The sewing workers who sit during working hours are not provided with chairs with back-support and adjustable heights. HSE.17
10. The chemical warehouse does not have an eye-wash station equipped. HSE.9
11. The factory does not have a breastfeeding room for female workers. ND.8.1

#### Local Law or Code Requirement

Factories Act (1951), Article 50; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.3, HSE.9, HSE.13, HSE.14, HSE.17 and HSE.27; and Nondiscrimination Benchmark ND.8.1)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory will set up the child care room in the office building. Workers can bring their children when necessary. In Myanmar's culture, children are always taken care by their grandparents and relatives and it's very rare that people will bring their children to work.
2. Factory will include risk assessment for work tasks in the risk assessment.
3. Risk assessment will be conducted by work task in the operation of our factory.
4. Loading capacity will be posted in the material warehouse.
5. Local language of emergency button will be added on all machines.
6. Fire pump pulley guard and water pump will be covered.
7. Fence will be made on fire well to prevent accidents.

#### Planned completion date

05/02/18

#### Company Action Plan Update

07/05/18 : 3. Risk assessment has been conducted by work task in the operation of our factory. 4. Loading capacity has been posted in the material warehouse. Please see attached the pictures. 5. Local language of emergency button is added on all machines. 6. Fire pump pulley guard and water pump are now covered. 7. Fence is made on fire well to prevent accidents.