



FAIR LABOR  
ASSOCIATION®

## INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Fanatics Apparel, Inc.

COUNTRY: Pakistan

ASSESSMENT DATE: 10/26/18

ASSESSOR: Innovatus

PRODUCTS: Apparel

NUMBER OF WORKERS: 235

## 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: Training (Macro)

##### Finding Explanation

1. The factory does not provide specific training to the relevant supervisors on the following Employment Functions: Recruitment, Hiring & Personnel Development; Termination & Retrenchment; Workplace Conduct & Discipline; Grievance System; and Environment Protection. Some information on Recruitment, Hiring & Personnel Development is provided at the time of Hiring. [ER.1, ER.17, ER.27]
2. The factory does not provide any training to workers on Industrial Relations, Termination & Retrenchment, Compensation, Working Hours, and Environmental Protection. [ER.1, ER.15]
3. The factory does not provide specific or ongoing training to workers on any of the Employment Functions except for a quick orientation to Compensation and Hours of Work during the Hiring process. [ER.1, ER.15, ER.25, ER.28]
4. There is no proper orientation training program for new workers. Orientation does not cover the following Employment Functions: Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, and Grievance System. [ER.1, ER.15]
5. Workers do not receive written documentation that substantiates the issues covered during orientation, including a copy of the workplace rules. There is no written employee handbook. [ER.15]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, ER.25, ER.27, and ER.28)

#### COMPANY ACTION PLANS

##### Action Plan no 1.

##### Description

Factory has developed training calendar which includes trainings for staff and production worker to enhance their literacy rate. It includes Health & Safety, Environment, Labor Rights, Grievance Handling, Disciplinary Practices, Freedom of Association, Women Harassment Act, Security Awareness, Gender Based Security Training & Introduction to designated area, Termination & retrenchment, COC's and etc. Factory also arrange. Factory has also developed orientation form with personal file for new hiring workers.

Step 1- Factory has developed training calendar.

Step 2- All staff and workers are briefed and defined about company policies, labor laws and etc as per the schedule.

Step 3- All training are properly documented and recorded with material, attendance & pictures to complete document cycle.

Planned completion date

02/28/19

Company Action Plan Update

1. Policy and procedure including training Schedule for supervisors and Managers are revised which covers employment Functions (completed)
2. The factory provides training to workers (completed)
3. The factory provides specific or ongoing training to workers on Employment Functions (completed)
4. There is orientation training program for new workers.(completed)
5. Workers receive written documentation that substantiates the issues covered during orientation (completed)

## FINDING NO.2

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

1. Management does not clearly identify the person with ultimate responsibility and accountability within the factory, especially regarding Termination & Retrenchment. [ER.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

### COMPANY ACTION PLANS

#### Action Plan no 1.

Description

In September 2018 factory has appointed H.R. Manager to overcome all gaps and now factory is continually improving towards sustainability. Company has defined Policies & Procedures regarding hiring, termination & retrenchment.

Step 1- Factory management has hired Manager H.R. with ultimate responsibility and accountability within the factory, especially regarding Termination & Retrenchment.

Planned completion date

02/28/19

Company Action Plan Update

1. Management identifies the person with ultimate responsibility and accountability within the factory, especially regarding Termination & Retrenchment (completed)

## FINDING NO.3

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The factory does not communicate its workplace rules and regulations with the general workforce on a regular basis. [ER.1, ER.16]
2. The factory does not communicate with the general workforce regarding its policies and procedures on Environmental Protection or their updates. [ER.1, ER.16]
3. None of the workers interviewed were aware of the function of the Worker Council. The members of the Worker Council were not aware of the Council's function either. Only the names of work council members and minutes of last meeting are posted on notice board. However, what work council is, how it functions, what role it has in labor management relations is not communicated and understood by workers and members of work council. [ER.1, ER.16]

4. The Worker Council is not involved in the decision-making process. The meeting minutes reflect that it only focuses on trivial issues. Also, its composition is not correct which restricts its ability to perform its intended function. [ER.1, ER.25]

5. The factory only partly communicates with the general workforce regarding its Health & Safety policies/procedures/updates. [ER.1, ER.31]

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.25, and ER.31)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory has developed training calendar which includes trainings for staff and production worker to enhance their literacy rate. It includes Health & Safety, Environment, Labor Rights, Grievance Handling, Disciplinary Practices, Freedom of Association, Women Harassment Act, Security Awareness, Gender Based Security Training & Introduction to designated area, COC's and etc. Policy and procedure of Freedom of Association are revised in which proper Election is taken and workers itself selected their representative. And after election meeting was held with the management and decided that worker's Representative will must sit in every meeting related with production or Workers rights & benefits. And minutes of the meeting will be keep documented Policy and procedure in detail has been develop for Health & Safety in which all areas are covered and this policy and procedure has been displayed in all working areas for workers awareness

#### Planned completion date

02/28/19

#### Company Action Plan Update

1. The factory communicates its workplace rules and regulations with the general workforce (completed)
2. The factory communicates with the general workforce regarding its policies and procedures on Environmental Protection or their updates. (completed)
3. Trainings are scheduled to increase awareness.(completed)
4. Policy and procedure of Freedom of Association are revised (completed)
5. The factory communicates with the general workforce regarding its Health & Safety policies/procedures/updates.(completed)

## FINDING NO.4

## IMMEDIATE ACTION REQUIRED

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

#### Finding Explanation

1. The factory only employs one disabled worker. Local law requires that 2% of the total workforce be made up of disabled workers, or that the factory make a financial contribution if they fail to meet this quota. The factory does not pay this financial contribution. [ER.3, ND.1, ND.2]

2. The factory's job application forms include questions regarding the applicants' marital status which could lead to discrimination in the Hiring process. [ER.3, ND.2]

3. The piece-rate workers' employment contracts do not include information on how the piece-rate is determined or if the factory will make up for the difference in the event that the workers' piece-rate wages fall below minimum wage. In practice, the factory does make up the difference. [ER.10]

4. The factory does not have any policies or procedures on Recruitment, Hiring & Personnel Development. [ER.1, ER.7, ER.28, ER.29, ER.30]

5. The factory has not developed job descriptions for all positions. [ER.1]

6. The factory does not have a performance review mechanism. There is an informal process but it is not consistent and no record is maintained. [ER.29]

#### Local Law or Code Requirement

S.8, The Sindh Differently Able Persons (Employment, Rehabilitation and Welfare) Act, 2014; S.3, The Sindh Terms of Employment (Standing Orders) Act, 2015; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.3, ER.7, ER.10, ER.28, ER.29, and ER.30;

#### Recommendations for Immediate Action

1. Hire more disabled workers as legally required.
2. Remove inappropriate fields from the job application forms.
3. Update the piece-rate workers' employment contracts to include all required details regarding the piece-rate wage.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Although factory has open door policy for employment of Disable person management was not aware about the requirements before. However management will revise the policy documents and will ensure to meet this requirements as per Law. Employment form is revised in which only general information is asked with the applicant. "marital Status" is eliminated with the Job Application Form.

Piece rates are determined with mutual understanding of management and workers representative before starting production. Once rates finalized then Rate list is Display on Production Area for workers reference. And if any workers found below the minimum wage due to any reason then Management compensate the difference amount in monthly salary to him/her. Policy and procedure has been developed with the help of our new HR Manager who is fully responsible for Recruitment, Hiring and Personal Development.

Job Descriptions of each position are developed and kept in their personal files

Step 1- Company has developed policy and posted on a visible area. Security and HR Staff are trained to welcome handicap workers with open-heart and supervisors are communicated to support and take a work with they feel ease.

##### Planned completion date

02/28/19

##### Company Action Plan Update

1. Management is interacting with some government bodies to pay financial contribution. Main focus is to hire more than 2% disable worker of the work force.
2. The factory's job application form does not include questions regarding the applicants' marital status (completed)
3. The piece-rate workers' employment contracts include information on how the piece-rate is determined (completed)
4. The factory has policies or procedures on Recruitment, Hiring & Personnel Development. (completed)
5. The factory has developed job descriptions for all positions (completed)
6. The factory has performance review mechanism. (completed)

### FINDING NO.5

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Compensation

##### Finding Explanation

1. The factory does not pay the correct festival holiday premium. It is calculated at 200% instead of 300%. [ER.18, ER.22, C.1, C.5, C.7]
2. Three workers did not receive the festival holiday premium in August and June 2018. [ER.18, ER.22, C.1, C.5, C.7]

##### Local Law or Code Requirement

S.80, The Sindh Factories Act, 2015; FLA Workplace Code (Employment Relationship Benchmarks ER.18 and ER.22; Compensation Benchmarks C.1, C.5, and C.7)

##### Recommendations for Immediate Action

1. Calculate the festival holiday premium as required by law.
2. Compensate all workers for holiday work at the festival holiday premium rate. Retroactively compensate any workers who were underpaid in the past 12 months.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory has paid dues of remaining 3 workers amount for the month of June & August 2018 as an area on immediate basis to make security staff payments equal to 300% on festival holiday.

Step 1- Payments will also be reviewed during internal audits for avoiding this issue in future.

#### Planned completion date

02/28/19

#### Company Action Plan Update

1. The factory pays the correct festival holiday premium. (completed)
2. Three workers receives the festival holiday premium in August and June 2018 (completed)

## FINDING NO.6

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Industrial Relations

#### Finding Explanation

1. The worker representatives do not meet regularly with management. [FOA.1]
2. The Joint Work Council is not in line with legal requirements. Currently, four worker representatives are listed as members of the Council, but no management representatives are assigned. In addition, the meeting agendas do not meet legal requirements and the Council is not a forum for dialogue between workers and management. As per law, the council should function for securing and preserving good labor management relations and shall look after the matters including fixation of jobs and piece rates, planned regrouping and transfer of workers, vocation training, security of employment and safety at workplace. However, the council in the facility is not discussing or addressing as per their legal mandate and instead focusing on administrative issues. [ER.25, FOA.1]
3. The factory does not provide any office space for the Joint Work Council. [FOA.15]
4. The factory has a number of committees (e.g. the Health & Safety Committee and the Joint Work Council), but the committee members do not receive any training to help them execute their responsibilities. [ER.1, ER.15, ER.17]
5. The Industrial Relations policy only covers Freedom of Association. [ER.1]
6. The Industrial Relations procedures lack details on the Worker Management Council's composition and function as defined in the relevant laws. [ER.1, ER.25]

#### Local Law or Code Requirement

S.29 Sindh industrial Relations Act 2013; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, and ER.25; Freedom of Association Benchmarks FOA.1 and FOA.15)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory has revised policy & procedure for Industrial Relation (FOA) which clearly states that meetings with workers representatives and management will be held as per the schedule or anytime when needed. Company has provided designated area for workers representative for regular meetings. Training schedule has been revised which includes Worker Council Members awareness program.

Meetings are be held on monthly basis with Management & work council. Meeting minutes and corrective action will be recorded and display in workers area for their awareness. Records are maintained in Work Council File.

Step 1- Revised Policy & Procedure as per law which includes Freedom Of Association (FOA), Industrial Relation (I.R.), Employee Relation, Collective Bargaining,

Step 2- A room has been designated for the members of work council for regular meetings.

Step 3- Factory has developed meeting calendar Meeting will be held on monthly basis.

Step 4- Meetings & Minutes of the meeting will be recorded with attendance & pictorial evidences.

Planned completion date

02/28/19

Company Action Plan Update

1. The worker representatives meet regularly with management (completed)
2. Management representative has been assigned to negotiate with worker council. Suggestion boxes, Joint Work Council, Designated Place for Worker Meeting have been provided for Workers, Joint work council and Management. (completed)
3. The factory provides office space for the Joint Work Council. (completed)
4. The committee members receive training to help them execute their responsibilities. (completed)
5. Policy and procedure for Industrial Relations Policy included FOA, ER & Collective bargaining are revised. (completed)
6. Industrial Relations Procedures are revised accordance with FLA requirements (completed)

## FINDING NO.7

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Grievance System

Finding Explanation

1. The factory does not keep any records of the grievance process, including the workers' complaints and the actions taken to follow up on those complaints. [ER.2]

2. The factory's Grievance System procedures do not include a provision for the direct settlement of grievances between a worker and their immediate supervisor. [ER.1, ER.25]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, and ER.25)

### COMPANY ACTION PLANS

#### Action Plan no 1.

Description

Factory has revised and updated Grievance policy and procedure & developed complaint form for workers convenience. Management looks keenly and works rapidly to rectify issues highlighted through complaint form or by any channel. Procedure include direct settlement of grievance between worker and their immediate supervisor. All workers' complaints are documented as per procedure define in Local Laws and FLA norms.

Step 1- Revised Policy to meet requiremnts of law.

Step 2- Developed complaint forms, and review and resolve worker complains with priority.

Step 3- Training of workers as per schedule for sustainable implementation of law.

Planned completion date

02/28/19

Company Action Plan Update

1. The factory keeps any records of the grievance process. (completed)
2. The factory's Grievance System procedures includes a provision for the direct settlement of grievances between a worker and their immediate supervisor (completed)

## FINDING NO.8

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Environmental Protection



#### Finding Explanation

1. The factory does not have an environmental management plan. The initial environmental examination conducted by the Environmental Protection Agency expired in 2016. [HSE.1, HSE.4]

2. The factory's Environmental Protection procedures do not include the following components: Steps that enable workers to raise environmental concerns; Steps for reporting environmental emergencies; Protection against retaliation for workers who allege environmental violations. [ER.1, ER.31, HSE.5]

#### Local Law or Code Requirement

S.11 The Sindh Factories Act 2015, Section 14; S.17 The Sindh Environmental Protection Act, 2014; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.4, and HSE.5)

#### Recommendations for Immediate Action

1. Arrange for the factory to conduct the environmental management plan.

2. Amend the environmental protection procedures to include steps that enable workers to raise environmental concerns, outline the steps for reporting environmental emergencies, and protect against retaliation for workers who allege environmental violations.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory has renewed EMP & got new approval from SEPA. As per law requirements factory has made Environment Committee. Representatives are selected with workers integration. Environment committees meeting held as per calendar.

1. Step Factory has developed procedure to review system & update policy & procedures and this procedure covers environment portion.

2. Step Process will keep policies and procedures remain update.

#### Planned completion date

02/28/19

#### Company Action Plan Update

1. The factory has the environmental management plan.(completed)

2. Factory has renewed EMP & got new approval from SEPA (completed)

## FINDING NO.9

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The factory's Health & Safety procedures are missing the following components: A statement regarding legal and FLA Code compliance; Standard Operating Procedures (SOP) for each job with a focus on performing those jobs safely; A provision enabling workers to raise health and safety concerns; Steps for reporting injuries, illness, and death; Protections against retaliation for workers who raise health and safety concerns; Steps that should be taken to protect workers if there is an accidental chemical spill, including identifying those who are responsible for cleaning up the spill; A detailed evacuation plan; Workers' duties regarding fire response; A response plan in the event of a fire; Contact information for external parties to contact in case of fire; Lockout-tagout procedures; emergency assembly area; a fire risk assessment; guidance documents for external contractors/service providers concerning health and safety [ER.1, ER.31, HSE.1]

2. Workers with maintenance responsibilities are not provided specific training on maintenance safety. [ER.1, HSE.14]

3. The PPE training does not cover how PPE should be stored or replaced. [HSE.8]

#### Local Law or Code Requirement

S.29, S.51. The Sindh Factories Act 2015; FLA Code and Benchmarks (Employment Relationship Benchmarks ER.1 and ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.8, HSE.14)

## COMPANY ACTION PLANS



## Action Plan no 1.

### Description

Factory has revised policy & procedure which covers enabling workers to raise health and safety concerns; Steps for reporting injuries, illness, and death; Protections against retaliation for workers who raise health and safety concerns; Steps that should be taken to protect workers if there is an accidental chemical spill, including identifying those who are responsible for cleaning up the spill; A detailed evacuation plan; Workers' duties regarding fire response; A response plan in the event of a fire; Contact information for external parties to contact in case of fire; Lockout-tagout procedures; emergency assembly area; a fire risk assessment; guidance documents for external contractors/service providers concerning health and safety. Maintenance committee has been defined and training has been given. PPE'S Handling training is also conducted for the concern workers.

Step 1- Revised Policy & Procedure for Health & Safety.

Step 2- Defined maintenance committee.

Step 3- Provided PPE'S storage area.

Step 4- Training Calendar has been revised & it includes H&S, PPE'S, Chemical Handling & misc. training programs for worker awareness.

Step 5- All training material, attendance & pictures are properly recorded.

### Planned completion date

02/28/19

### Company Action Plan Update

1. The factory's Health & Safety procedures are revised (completed)
2. Maintenance committee has been defined and training has been given.(completed)
3. PPE'S Handling training is conducted (completed)

## FINDING NO.10

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. There are loose electrical wires in various places throughout the factory. [HSE.13]
2. There are no internal doors for the cargo elevator cage. [HSE.14]
3. 15% of the stitching machines are missing needle guards. [HSE.14]
4. The factory has not obtained approval for the layout of the building that is under construction. [HSE.1]
5. First aid boxes are not inspected at regular intervals. [HSE.6]
6. The facility is not maintaining the records of all illnesses. [HSE.3]

#### Local Law or Code Requirement

S.29, 38, and 47, The Sindh Factories Act, 2015; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.3, HSE.6, HSE.13, and HSE.14]

#### Recommendations for Immediate Action

1. Properly encase all loose wires.
2. Install internal doors in the cargo lift.
3. Install needle guards on stitching machines.
4. Obtain approval from the relevant authorities for the layout of the new building.
5. Inspect all first aid boxes at regular intervals.
6. Maintain the records of illnesses in the factory.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

The highlighted loose wirings at under construction areas were repaired at the same day. Internal Doors installed at both openings of Cargo Lift. Approved layout plan was in SITE Association as the factory was bifurcated last year for revision now its revised and available. First Aid Boxes are inspected and maintained regularly and maintenance checklist and details were shared with auditor. Facility is maintaining & keeping monitoring records. Injury records are maintained in "Accident Log Book". This record is kept and maintained by HSE Officer on regularly basis. Needle Guards were provided to all sewing machines at the same day.

Step 1- Factory has developed policy & procedure regarding Health & Safety & Emergency Response Plan. Both includes all kind of fire, medical & emergency possibilities.

Step 2- Factory has installed UL Listed Fire Hydrant pump and it is working properly.

Step 3- Factory has developed training calendars which includes internal & external trainings regarding Fire Fighting, First Aid, Emergency Evacuation and etc.

Step 4- Fire Fighting & First Aid Teams are nominated & training session from external resources have been provided to them.

#### Planned completion date

02/28/19

#### Company Action Plan Update

1. Electrical wires in various places are repaired. (completed)
2. There are internal doors for the cargo elevator cage. (completed)
3. Stitching machines have needle guards. (completed)
4. The factory has obtained approval for the layout of the building that is under construction. (completed)
5. First aid boxes are inspected at regular intervals.(completed)
6. The facility is maintaining the records of all illnesses. (completed)

## FINDING NO.11

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Termination & Retrenchment

#### Finding Explanation

1. The factory does not have any policies or procedures on Termination & Retrenchment. [ER.1, ER.19, ER.32]

2. The factory does not maintain any records related to termination and retrenchment. [ER.19, ER.32]

#### Local Law or Code Requirement

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

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory has developed procedure for "Disciplinary Practices" and defined termination in detail. At the same time as immediate action factory hired HR Manager who will look after all workers' related issues and development. Disciplinary procedure includes third party witness must be ensure for workers to appeal against disciplinary action be taken. It is the responsibility of HR Manager to work closely with workers and management so that disciplinary system procedure implemented in a right way and documented evidence must be ensured for future reference.

Step 1- Company has defined policy & procedure which covers termination and it clearly communicate all reasons which leads to termination.

Step 2- Factory has revised training schedule now it includes training on Termination & Retrenchment for management staff & workers.

#### Company Action Plan Update

1. The factory has policies or procedures on Termination & Retrenchment (completed)
2. Records are kept in personal Files. (completed)

## FINDING NO.12

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

##### Finding Explanation

1. The factory's Workplace Conduct & Discipline procedures lack the following components: A provision for the representation of workers' representative on the Disciplinary Committee; A requirement to have a third-party witness present during the imposition of disciplinary actions; A process for workers to appeal disciplinary actions taken against them. [ER.1, ER.27]

##### Local Law or Code Requirement

The Sindh Industrial Relations Act, 2013; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.27)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Factory has revised all policies and procedure and at the same time as immediate action factory hired HR Manager who will look after all workers' related issues and development. Disciplinary procedure will be revised accordingly and third party witness must be ensure for workers to appeal against disciplinary action be taken. It is the responsibility to HR Manager to work closely with workers and management so that disciplinary system procedure implemented in a right way and documented evidence must be ensured for future reference.

Step 1- Revise Policy & Procedure.

Step 2- Arrange awareness program regarding Disciplinary procedure for workers and Worker Committee briefly.

Step 3- Arrange Meeting with workers committee frequently as per the schedule and whenever committee wants to arrange it freely and can do negotiations and discussions on points.

##### Company Action Plan Update

1. The factory's Workplace Conduct & Discipline procedures are revised (completed)

## FINDING NO.13

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Review Process (Macro)

##### Finding Explanation

1. The factory does not have a system to review and update policies and procedures. [ER.1, ER.25, ER.27, ER.29, ER.30, ER.31]

##### Local Law or Code Requirement

FLA Workplace Code of Conduct (ER.1, ER.25, ER.27, ER.29, ER.30, ER.31)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Factory has developed procedure to review and update policies & procedures in April 2019. It includes internal audit for document & physical for the whole facility & each department.

Step 1- Internal review mechanism is placed to update system as per day to day needs and standard.

Step 2- All improvement areas will be highlighted to all concerns during Management review meeting.

Step 3- Company will take necessary corrective and preventive actions for a sustainable solution & implementation.

##### Company Action Plan Update

1. The factory has a system to review and update policies and procedures. (completed)

## FINDING NO.14

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The factory's fire hydrant does not have a jockey pump or dedicated backup generator. It can only be operated using the regular electrical system or a general backup generator. [HSE.6]
2. There are smoke detectors missing in the fabric warehouse and the accessories store in the new building. [HSE.5]
3. The aisles in the fabric warehouse in the new building are not marked. [HSE.5]
4. The factory does not have a sprinkler system installed. [HSE.5]

##### Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmark HSE.5 and HSE.6)

##### Recommendations for Immediate Action

1. Install a jockey pump and a dedicated backup generator for the fire hydrant.
2. Install smoke detectors in the fabric warehouse and the accessories store in the new building.
3. Mark the aisles in the fabric warehouse in the new building.
4. Install a sprinkler system in the factory.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Factory has purchased & installed UL Listed Fire Hydrant pump which includes complete mechanism of self power generation & Jockey pump which maintains water level anytime. Factory was under construction before so smoke detectors installation was in process during audit days & now its completed and all detectors are in working condition. Factory has developed daily compliance visit checklist to avoid partial blockages & increased number of trainings for workers to keep aisles clean & clear all the time.

Step 1- Factory has developed policy & procedure regarding Health & Safety & Emergency Response Plan. Both includes all kind of fire, medical & emergency possibilities.

Step 2- Factory has installed UL Listed Fire Hydrant pump and it is working properly.

Step 3- Factory has developed training calendars which includes internal & external trainings regarding Fire Fighting, First Aid, Emergency Evacuation and etc.

Step 4- Fire Fighting & First Aid Teams are nominated & training session from external resources have been provided to them.

##### Company Action Plan Update

1. Factory has purchased & installed UL Listed Fire Hydrant pump which includes both self power generation & Jokey. (completed)
2. All smoke detectors are in working condition. (completed)
3. Yellow Aisles marking has been marked as per HSE (completed)
4. UL Listed Fire Hydrant System has been installed which covers all areas of the building (completed)

## FINDING NO.15

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

1. MSDS are not placed at the storage location. However, the MSDS were available upon request. [HSE.10]
2. There is no spill response kit available for cleaning up chemical spills. [HSE.6]
3. The chemical containers are not labelled. [HSE.9]
4. The chemical storage is not ventilated. [HSE.9]

#### Local Law or Code Requirement

The Sindh Occupational Health and Safety Act, 2017; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.6, HSE.9, and HSE.10)

#### Recommendations for Immediate Action

1. Place MSDS at the storage locations.
2. Place a spill response kit at the storage location.
3. Appropriately label all chemical containers.
4. Ensure that the chemical storage area is properly ventilated.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

MSDS, Safety signs, caution notices are posted at the area. Spill response kits are provided with it. Chemical containers are properly labelled with capacity. Exhaust fans are provided to Designated Chemical Storage Area.

Step 1- Factory has developed policy & procedure regarding Health & Safety & Emergency Response Plan & it is in place now. Both includes all kind of medical & emergency possibilities.

Step 2- factory has developed designated area for chemical storage with exhaust and ventilation mechanism.

Step 3- Factory has developed training calendar which includes trainings regarding H&S, Chemical Handling, Emergency Response Plan and etc for all relevant workers.

Step 4- Awareness has been given to all concerns.

#### Company Action Plan Update

1. MSDS, Safety signs, caution notices are posted (completed)
2. Spill response kits are provided (completed)
3. Chemical containers are properly labelled (completed)
4. Exhaust fans are provided to Designated Chemical Storage Area. (completed)

## FINDING NO.16

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Workplace Conduct & Discipline

#### Finding Explanation

1. Body searches are conducted when workers enter and leave the facilities. [H/A.10]

#### Local Law or Code Requirement

FLA Workplace Code (Harassment or Abuse Benchmarks H/A.10)

#### Recommendations for Immediate Action

1. Conduct body searches and/or physical pat-downs only when there is a legitimate reason to do so and upon consent of the workers, unless a state official with the power to do so has ordered the search. Ensure that body searches are not undertaken in public and the person who undertakes the search shall be of the same sex as the person who is being searched.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory has revised their policy & procedure in 2019. Now factory doesn't have body search practice as factory consider it unethical, but bags and belongings are check by security guards for security purpose. And as management was not aware about that the bags of women worker should not be search by male security guards. Factory has designated separate search area for female workers and nominated female searcher who will search belongings of female workers.

Step 1- Policy and procedure for security system including gender sensitivity was developed and revised accordingly.

Step2 - Lady searcher will be hired or nominated for searching Ladies bags and their belongings.

Step 3 - Separate Search area will be designated for searching ladies bags with the help of lady searcher.

Step 4- Awareness will be given to male & female workers about security program & specifically highlighted this issue.

Step 5- Training will be provided to all security staff about security policy and procedure.

Step 6- Training Records will be maintained regularly.

#### Company Action Plan Update

Body searches is not conducted when workers enter and leave the facilities.(completed)