



COMPANIES: Esquel Group  
COUNTRY: Mauritius  
ASSESSMENT DATE: 12/12/18  
ASSESSOR: FLA EMEA  
PRODUCTS: Apparel  
NUMBER OF WORKERS: 3255

## FLA Comments

Esquel Group ended their affiliation with the Fair Labor Association in May 2020. Therefore, there will be no further updates to the Company Action Plans contained in this report.

Due to this disaffiliation Esquel Group is no longer listed on the Fair Labor Association Website, however, their Independent External Assessment reports can still be found at: <https://www.fairlabor.org/transparency/workplace-monitoring-reports>

## 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.

| FLA Code Element                | Number of Violations |
|---------------------------------|----------------------|
| Compensation                    | 3                    |
| Hours of Work                   | 3                    |
| Employment Relationship         | 79                   |
| Health, Safety, and Environment | 21                   |
| Harassment and Abuse            | 1                    |
| Forced Labor                    | 2                    |
| Nondiscrimination               | 3                    |
| Freedom of Association          | 10                   |

## Findings and Action Plans

### FINDING NO.1

#### IMMEDIATE ACTION REQUIRED

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

##### Finding Explanation

1. The number of disabled workers is less than the legal requirement (3% of workforce). At the time of the visit, the factory employed seven disabled workers. Based on the 3% law, 60 more disabled workers are needed. [ER.1] 2. The job application form asks for personal information, such as the marital status and the number of children, which could lead to potential discrimination during the recruitment process. [ER.3, ND.2] 3. The factory does not have an established performance evaluation system in place for the contract renewal process for migrant workers. The current system relies only on the discretion of supervisors and managers without any written criteria. [ER.29] 4. The written procedures for the recruitment of foreign workers do not include below steps: • Identification of agents; • Checking the agents' legal status; • Steps for communicating requirements; • Shortlisting of candidates; • Detailed information on the interview process or skill tests in country of origin; • Induction program; • International travel arrangements; • Communication of recruitment fee arrangements to candidates; • Domestic travel arrangements including receiving new workers, transportation to the dorms/facility; • Payment for medical test of candidates in the country of origin; • Arrival formalities, including the on-boarding of new workers and where workers are taken upon arrival; • How dormitory locations are allocated (by gender, nationality, etc.) • Procedures for return to country of origin after completion of contract, within the contract period, and or during emergency situations. [ER.1] 5. The factory does not have a written policy on Personnel Development and the assessors observed the following issues with the promotion system. Firstly, workers' signatures are missing on promotion letters, there is documentation evidence that the salary raises are not implemented after promotion, some workers who have been promoted have not received letters, and some promotion letters are missing the signatures of department heads. [ER.1, ER.30] 6. Bengali and Nepalese workers working in this facility have paid recruitment fees in their country of origin where they were hired from 2012 until 2016. Based on document review, the recruitment fees paid were as follows: • Bengali workers: The agreement with the local recruitment agent (Article 7) states, "No worker should be required to pay more than 35,000 BDT (417 USD) to secure a job offer at [this facility]." • Nepalese workers: The agreement with the local recruitment agent (Part B) states, "the total final recruitment fee charged to or collected from the worker should not be more than the amount of USD 300." However, during worker interviews, 24 Bengali workers declared that they paid between 70,000 BDT (834 USD) and 150,000 BDT (1,786 USD) as their recruitment fees. Additionally, 14 Nepalese workers declared that they paid between 45,000 NPR (390 USD) and 95,000 NPR (850 USD) as their recruitment fees. [ER.5] 7. The factory recruits Bengali workers through a local agent in Mauritius. However, there is no written

agreement between the local agent in Mauritius and the migrant worker sending agent in Bangladesh. Furthermore, the license for the local agent in Bangladesh expired as of December 31, 2013. [ER.1, ER.6] 8. The factory's agreement with the local agent in Mauritius includes articles that are not in line with local law and FLA code requirements. For example, Clause 1.2 states workers must not wear spectacles. Additionally, Clause 3.3 (1) states that workers shall be entitled to sick leave in subsequent month up to 12th month, if they remain in continuous employment for six consecutive months and are present on all working days during that period. Finally, Clause 4.2 in Article 4 states that agent shall ensure workers perform overtime duties whenever the need arises. [ND.2, HOW.8.2] 9. The factory recruits Nepalese workers directly through an agent in Nepal. This agent's license does not specify from which countries the agent can send workers. However, Article 3 of this license states that the agent shall not send workers from any country other than the ones specified in this license. [ER.1] 10. The agent in Nepal did not sign the agreement between the agent in Nepal and the factory from July 16, 201. [ER.1] 11. The Nepalese workers' employment contracts are not available in their local language. They are only in English. The contracts for Bengali and Malagasy workers are in the local languages. [ER.5, ER.10] 12. The assessors noted issues with the employment contracts. One employment contract for a Bengali worker expired on May 22, 2017 but was not renewed until September 18, 2018. One employment contract for a Nepalese worker was missing the dates for the beginning and expiration of the contract and the workers' signature on the contract did not match other documents signed by this individual. For Malagasy workers, one employment contract was missing the contract renewal dates while another contract was signed as a 36 month contract but was implemented as a 48 month contract. [ER.1] 13. The factory has an induction program in place that covers most employment functions, such as Hours of Work & Overtime, Compensation & Benefits, Safety at Work, Workplace Rules, Workplace Conduct & Discipline, Nondiscrimination, Harassment & Abuse, and Environmental Protection. However, workers are not provided with any documentation after the training. Additionally, the training is missing the following topics: Freedom of Association, Grievance Procedures, Recruitment, Hiring & Personnel Development, and Retrenchment and Termination. [ER.15]

### Local Law or Code Requirement

Training and Employment of Disabled Persons Act, Article 13; Employment Rights Act, Article 4; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.5, ER.6, ER.10, ER.15, ER.29, ER.30; Nondiscrimination Benchmark ND.2; Hours of Work Benchmark HOW.8.2]

### Root Causes

1. The factory does not have an effective internal audit system in place for labor related issues. The existing internal audits are focused more on health & safety issues and the factory does not have a database to track compliance issues and performance. 2. There are three compliance officers that are in charge of the compliance issues for Esquel factories in Mauritius. Only one of these officers focuses on labor issues while the other two mainly focus on health & safety issues. 3. As of 2016, Esquel Mauritius management has decided to phase out the use of migrant workers. 4. The factory management does not know much about FLA benchmark requirements as they have not received specific training on the FLA Code and benchmarks. 5. Although the factory is a part of a group of factories in different countries owned by a single supplier, there are limited opportunities for collaboration between factories on labor and health and safety issues. 6. Management does not feel that they need to review the content of existing contracts with agencies since they have decided to stop employing migrant workers. 7. The HR Department's workload has resulted in quality issues related to documentation on recruitment, hiring, and personnel development.

### Recommendations for Immediate Action

1. Work with local authorities to recruit more disabled workers and to reach the legal quota of 3%. 2. Remove questions on marital status and number of children from job application forms to avoid potential discrimination during the recruitment process. 3. Ensure that the "zero recruitment fee" policy is being followed during the recruitment process and revise existing contracts with recruitment agents to remove all references to recruitment fees. 4. Devise a plan to pay back workers who paid recruitment fees who are currently under contract and working in the facility. 5. Provide Nepalese workers who cannot read or write in English with employment contracts in Nepalese.

### FLA's Recommendations for Sustainable Improvements

1. Review the internal audit system in place, at both the group and factory level, to ensure that periodic labor audits take place in a similar manner to the health & safety audits that are currently conducted by local factory management. 2. Create a clear and objective written performance evaluation system linked to the contract renewal process for migrant workers. Ensure that all relevant criteria are defined in collaboration with the elected worker representatives (both local and migrant) and workers are trained on these criteria. 3. Revise the existing written procedures for the recruitment of foreign workers to ensure that the below points are included: • Identification of agents; • Checking their legal status; • Steps for communicating requirements; • Shortlisting of candidates; • Detailed information on the interview process or skill tests in country of origin; • Induction program; • Travel arrangements; • Communication of recruitment fee arrangements to candidates; • Travel arrangements including receiving new workers, transportation; • Payment for medical test of candidates in the country of origin; • Arrival formalities, including the on-boarding of new workers and where workers are taken upon arrival; • How dormitory locations are allocated (by gender, nationality, etc.) • Procedures for return to country of origin after completion of contract, within the contract period, and/or during emergency situations. 4. Prepare a written policy on Personnel Development which covers factory's personnel development objectives, endorsement of non-discrimination and equality, endorsement of legal and FLA code compliance, ensure that the policy applies to all positions and levels within the facility, commit to fairness and

transparency, protection and requirements of special categories of workers. 5. Review and address all quality issues in the documentation related to promotions. The HR department should focus especially on the missing signatures on promotion letters, salary raises not being implemented after promotion, and missing promotion letters. 6. Create a plan for the back payment of recruitment fees paid by Bengali and Nepalese workers who no longer are no longer working at the factory. 7. Revise the factory's agreement with the local agent in Mauritius to remove the articles that are not in line with local law and FLA code requirements. 8. Ensure that license of recruitment agent in Nepal specifies which countries from which the agent can recruit. 9. Ensure that the agreement with the Nepalese agent includes the agents' signature. 10. Ensure that all contracts are renewed before they expire, all dates (employment start and expiration) are available in the contracts, signatures on the contracts match the workers' signature, and the contract duration and expiration dates are not contradictory. 11. Ensure that the induction program covers grievance procedures, recruitment, hiring, & personnel development, and retrenchment & termination. 12. Work with the FLA to organize joint training sessions for managerial staff to increase awareness of the FLA Code and benchmark requirements.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

An internal review of the migrant workers' recruitment process has been conducted; the foreign employee recruitment policy has been revised and updated. Since 2016, none of the employees paid any recruitment fees and all the contract renewal expenses are borne by the company. By Dec 2019, 419 migrant workers have been repatriated due to the end of the contract serving term.

As part of the 2020 training plan, the management would be socializing all the HR policies to the workers and zero recruitment fee policy of migrant workers would be part of the policy refreshment training.

#### Company Action Plan Update

An internal review of the migrant workers' recruitment process has been conducted; the foreign employee recruitment policy has been revised and updated. Since 2016, none of the employees paid any recruitment fees and all the contract renewal expenses are borne by the company. By Dec 2019, 419 migrant workers have been repatriated due to the end of the contract serving term.

## FINDING NO.2

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Compensation

#### Finding Explanation

1. The factory management is planning to change the wage payment terms from biweekly to monthly in 2019. Based on worker interviews, workers are not aware of this change. Considering there were two industrial actions (production slowdown) took place in 2018 due to communication issues related to wages and benefits, the factory should inform workers of the payment change through multiple channels. Furthermore, the existing wages and benefit policy (5.5.TIL.02.04) has not been revised since February 2017 so does not include the change in payment terms. [C.1, C.17, C.19]

2. The factory implemented a Group Efficiency Incentive (GEI) in October 2018. However, workers were not involved in the development of this new system and were not properly informed. As a result, the factory received a number of complaints from workers about the new system. Some complaints included a lack of training and difficulties achieving the targets which eventually led to a drop in earnings. [C.1, C.17]

3. Article 9/b of the employment contract reads " Where a female worker who has at any time had 3 confinements is pregnant, she shall not be entitled to benefits specified in section a – 14 weeks leave on full pay and an allowance of 3,000 Rs (84USD) within 7 days of her confinement." Although implementation of this rule was not observed during the assessment, it is not clear why this language is in employment contracts. This language is not legally prohibited, but is a violation of the FLA Code. [ND.3]

#### Local Law or Code Requirement

Employment Rights Act, Article 30; FLA Workplace Code (Compensation Benchmarks C.1, C.17, and C.19; Nondiscrimination Benchmark ND.3)

#### Root Causes

1. The factory does not have an effective internal audit system in place, especially for labor related issues. Existing internal audits are focused more on health & safety issues.
2. The factory management has not received specific training on the FLA Code and Benchmarks so does not have high awareness of FLA benchmark requirements.
3. Although the factory is a part of a group of factories in different countries owned by a single supplier, there are limited opportunities for collaboration between factories on labor and health & safety issues.
4. The factory does not have a defined period to review and revise internal policies and procedures. Therefore, the existing policies and procedures are only reviewed when there is a change in local legislation.

#### Recommendations for Immediate Action

1. Ensure that planned changes on payment terms are properly communicated to the workforce before implementation.
2. Revise Article 9/b of the employment contract to ensure that pregnant workers benefiting from 14 weeks leave on full pay and allowance of 3,000 R. (84USD) regardless of the number of confinements.

#### FLA's Recommendations for Sustainable Improvements

1. Revise wages and benefit procedure (5.5.TIL.02.04) to ensure that changes in payment term are included.
2. Ensure that elected worker representatives, including the representatives of the migrant workers, are involved in the development of policy and procedures.
3. Review the internal audit system, at both the group and factory level, to ensure periodic labor audits take place in a similar manner to health & safety audits that are currently conducted by factory management.
4. Consult with the FLA to organize joint training sessions for managerial staff to increase awareness of the FLA code and benchmark requirements.
5. Consult with elected worker representatives, both local and migrant, to address complaints related to lack of skill development training opportunities and the setting of the production targets. Provide training sessions to inform workers about the revised system.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

- 1- Create and implement communication plan for monthly pay conversion
- 2- Create and implement communication plan for GEI implementation
- 3- Amend contract of employment

#### Company Action Plan Update

- 1- Monthly pay conversion implemented and communicated with zero grievances
- 2- GEI rollout implemented and communicated and all related grievances were duly addressed.

## FINDING NO.3

## SUSTAINABLE IMPROVEMENT REQUIRED

## FINDING TYPE: Hours of Work

### Finding Explanation

1. The Hours of Work policy (5.5.TIL.01.04.00) does not include a commitment to proper capacity planning with regards to the local legal/FLA Code limits on working hours, prohibition on excessive working hours, commitment to providing one day off in a seven day period, prohibition of forced overtime and commitment to voluntary overtime, commitment to nondiscrimination, a statement that the policy applies to all levels and positions in the factory, guarantee of equal rights and protection for special categories of workers, and a commitment to transparency. [ER.1, HOW.1]
2. The factory does not offer any special protection to pregnant workers regarding working-hour arrangements. They work the same number of hours as regular workers. Furthermore, the existing timekeeping system does not automatically identify pregnant and lactating women. [HOW.5 ND.8]
3. Article 7 of the Employment Contract for expat workers reads, "The worker may be required to perform overtime up to 10 hours/week and any overtime in excess of 10 hours per week shall be with consent of the worker." Article 4 of the Employment Contract for local workers does not specify that overtime is voluntary. It reads, "An employee may be required to perform work on any public holiday including Saturdays and Sundays, or supplementary hours on a normal day according to exigencies of the work and will be remunerated at the rates for overtime as stipulated in the Export Enterprises Remuneration Order." In practice, the assessors did not observe any instances of nonconsensual overtime in practice. [HOW.8.2]
4. Because of the transportation arrangements, night shift workers stay until 6:30AM and work one hour of overtime every day. The workers are correctly compensated for this additional hour. [HOW.8.2]

### Local Law or Code Requirement

Employment Rights Act, Article 16; FLA Workplace Code (Hours of Work Benchmarks HOW.1, HOW.5, and HOW.8.2; Nondiscrimination Benchmark ND.8; Employment Relationship Benchmarks ER.1)

### Root Causes

1. The factory does not have an effective internal audit system in place, especially for labor related issues. Existing internal audits focus more on issues related to health & safety and there is no database for tracking compliance issues and performance.
2. There are three compliance officers responsible for compliance issues in Mauritius. Only one of them works on labor issues while the other two focus more on health and safety issues.
3. The factory management has not received specific training on the FLA Code and Benchmarks and does not know much about FLA benchmark requirements.
4. Although the factory is part of a group of factories owned by a single supplier, there are limited opportunities for collaboration between factories on labor and health and safety issues.
5. Management lacks knowledge of FLA's requirement regarding regular overtime work; the factory believed that complying with the hours limits (of both the FLA and local law) would be sufficient.
6. Workers rely heavily on extra income generated from overtime work.
7. The local law does not require any special protection measures on the working hour arrangements of pregnant workers.

### FLA's Recommendations for Sustainable Improvements

1. Revise the Hours of Work policy (5.5.TIL.01.04.00) to ensure it covers the below points:
  - a) Commitment to proper capacity planning with regards to the local legal/FLA code limits on working hours
  - b) Prohibition of excessive working hours
  - c) Commitment to providing one day off in a seven day period
  - d) Prohibition of forced overtime and commitment to voluntary overtime
  - e) Commitment to nondiscrimination
  - f) A statement that the policy applies to all levels and positions within the factory
  - g) Guarantee of equal rights and protection for special categories of workers
  - h) Commitment to transparency
2. Revise employment contracts to ensure that all overtime work is voluntary and consensual. Any limitation on the voluntary nature of overtime work, such as ten hours per week, should be removed from the contracts and internal regulations.
3. Review transportation arrangements in order to eliminate the requirement for the night shift workers to stay one hour of overtime every day.



4. Ensure that special categories of workers, including pregnant workers, are provided with appropriate working hour accommodations. Additionally, ensure that the existing timekeeping system has a method to identify pregnant and lactating women.
5. Revise the timekeeping system to ensure that the working hours for pregnant and lactating women are captured and tracked.
6. Ensure that elected worker representatives, including the representatives of the migrant workers, are involved in the development of policy and procedures.
7. Review the internal audit system at both the group and factory level to ensure periodic labor audits.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

- 1- Amend Hours of Work policy
- 2- Review pregnant and lactating women hours of work details in the policy in line with FLA rules
- 3- Change timekeeping machine to identify pregnant and lactating women

#### Company Action Plan Update

- 1- Hours of work policy amended

## FINDING NO.4

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Termination & Retrenchment

#### Finding Explanation

1. The Termination policy (5.5.TIL.01.10.01) does not include a commitment to nondiscrimination, a statement that the policy applies to all levels and positions within the factory, a guarantee of equal rights and protection for special categories of workers, a commitment to transparency, and a commitment to respect local laws and the FLA Code. [ER.1, ER.32]
2. The factory does not have a written policy or procedures on retrenchment. [ER.19, ER.32]

#### Local Law or Code Requirement

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

#### Root Causes

1. The factory has not experienced any retrenchment in the past as business has been continuous and factory management does not think that a retrenchment procedure is necessary.
2. The factory does not have an effective internal audit system in place, especially for labor related issues. There is not a database for keeping track of compliance issues and performance.
3. Only one compliance officer focuses on labor related issues for all Esquel factories in Mauritius.
4. The factory management has not received specific training on the FLA Code and Benchmarks and does not know much about FLA benchmark requirements.
5. Although the factory is part of a group of factories owned by a single supplier, there are limited opportunities for collaboration between factories on labor and health and safety issues.

#### FLA's Recommendations for Sustainable Improvements

1. Revise the existing Termination policy (5.5.TIL.01.10.01) to ensure that it includes a commitment to nondiscrimination, a statement that the policy applies to all levels and positions within the factory, a guarantee of equal rights and protection for special categories of workers, a commitment to transparency, and a commitment to respect local laws and the FLA Code.
2. Create a written policy and procedures on retrenchment in collaboration with elected worker representatives, both local and migrant.
3. Review the internal audit system at the group and factory level to ensure periodic labor audits take place.
4. Consult with the FLA and organize joint training sessions for management staff to raise awareness of the FLA Code and benchmark requirements.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

- 1- Termination policy to be reviewed and amended
- 2- Retrenchment policy to be created

#### Company Action Plan Update

- 1- Termination policy amended
- 2- Retrenchment policy created

## FINDING NO.5

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Industrial Relations

#### Finding Explanation

1. The Freedom of Association policy (5.5.TIL.03.04.00) does not include a commitment to respect the collective bargaining rights, a commitment to follow ILO principles and jurisprudence, information or guidance on industrial actions, and the rights of minority unions and their members. [ER.1]
2. The factory has a JCC (Joint Consultative Council) comprised of management representatives and elected local workers. However, migrant workers, which represent 47% of the total workforce, are not represented on this council. [FOA.1, FOA.11]
3. There have been two industrial actions within last 12 months where a group of workers staged production slowdowns in response to their discontent with the implementation of minimum wage and incentive systems in 2018. The first slowdown was regarding the minimum wage and the second one was regarding the incentive system; Both of these industrial actions were mainly due to miscommunication between management and workers. Both of the slowdowns were resolved after the factory properly informed workers of these changes. No disciplinary actions were carried out against the workers involved in these industrial actions. [C.17, C.19]
4. The factory management could not provide the signed minutes or any other relevant documentation of JCC meetings held in September, October, November, and December 2018. The factory does not have a procedure for collecting feedback from workers and communicating the decisions made during the JCC meeting. Therefore, important decisions, such as the changing of the pay period, were not communicated to the workers. Workers have filed complaints about the JCC's ineffective communication through grievance system as well. See more information under the grievance mechanism findings. [ER.25]

#### Local Law or Code Requirement

FLA Workplace Code (Freedom of Association Benchmarks FOA.1 and FOA.11; Compensation Benchmarks C.17 and C.19; Employment Relationship Benchmarks ER.1 and ER.25)

#### Root Causes



1. Miscommunication between workers and management on compensation resulted in the industrial actions. Although management tried to inform workers of the change in the minimum wage and incentive system, those attempts were insufficient in making workers understand those changes, especially as those changes affecting workers' incomes.
2. The absence of an effective worker representative system within the factory kept workers from being part of the decision-making process and hindered communication between management and workers.
3. The factory does not have an effective internal audit system in place, especially for labor related issues. There is not a database for keeping track of compliance issues and performance.
4. Only one compliance officer focuses on labor related issues for all Esquel factories in Mauritius.
5. The factory management has not received specific training on the FLA Code and benchmarks.
6. Although the factory is a part of a group of factories owned by a single supplier, there are limited opportunities for collaboration between factories on labor and EHS issues.
7. There is not much awareness of FOA or CBA rights within the factory, as neither workers nor managerial staff have received trainings on this topic. Moreover, the existing FOA policy and procedures are not in line with the company's code requirements.

#### FLA's Recommendations for Sustainable Improvements

1. Revise the existing Freedom of Association policy (5.5.TIL.03.04.00) to include a commitment to respect collective bargaining rights of the workers, commitment to follow ILO principles and jurisprudence, information or guidance on industrial actions, and the rights of minority unions and their members.
2. Organize worker representative elections to ensure that representatives of migrant workers are elected and placed in relevant committees, including the JCC.
3. Ensure that all JCC meetings are properly documented and there is a written procedure in place for how and when elected worker representatives can collect feedback from workers and how JCC decisions will be communicated to the workforce.
4. Organize and deliver trainings for both managerial staff and workers on Freedom of Association and Collective Bargaining topics. These trainings should cover ILO conventions and norms, the workplace code of conduct and benchmarks for the FLA and affiliate, local law requirements, and industrial actions.
5. Review the internal audit system at both the group and factory level to ensure regular labor audits take place.
6. Consult with the FLA and organize joint training sessions for managerial staff to raise awareness of the FLA Code and benchmark requirements.
7. Ensure that elected worker representatives are actively involved in the development of policy and procedures as well as the decision making process in existing committees, such as the JCC and the Health & Safety Committee, and in the creation of other committees, such as a Disciplinary Committee.
8. Factory management should consider conducting surveys for both workers and management to better understand perception on specific issues like freedom of association, performance evaluation systems, Health & Safety conditions, Hours of Work, Compensation, Grievance System, worker representation, and overall worker satisfaction. Conduct these surveys on a regular basis. As an FLA affiliate, the company can ask FLA's assistance and use FLA's SCOPE and SCAT surveys.
9. Inform the FLA regarding labor rights issues, industrial actions, and/or serious work accidents as soon as possible. The FLA did not receive any information regarding those industrial actions before the assessment.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

- 1- Include expatriate representatives in the workers council
- 2- Create effective communication mechanism of decisions made in JCC
- 3- Make proper minutes of the JCC meetings

### Company Action Plan Update

- 1- Expatriate representatives included in the workers council
- 2- Created effective communication mechanism of decisions made in JCC
- 3- Proper minutes of the JCC meetings are made and filed properly

## FINDING NO.6

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

##### Finding Explanation

1. Verbal warnings are not documented. [ER.27]
2. Written warning letters are not in the workers' local language (they are provided in English) and foreign migrant workers are not provided a copy of the written workplace rules. [ER.27, ER.16]
3. The existing Workplace Conduct & Discipline procedures do not clearly define which department is responsible for evaluation, do not clearly and completely define the appeal procedure, do not prohibit the application of monetary penalties as a disciplinary measure, do not commit to transparent and consistent disciplinary practices, prohibit any forms of harassment and abuse, and do not require that all warnings and disciplinary actions are recorded. [ER.27]
4. Workers are not involved in the development of policy and procedures or in the decision-making process for disciplinary actions. [ER.25, ER.27]
5. The imposition of disciplinary actions or appeals to disciplinary actions are not witnessed by a third party. [ER.27]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.16, ER.25, and ER.27)

##### Root Causes

1. The absence of an effective worker representative system prevents workers from being involved in the decision-making process and hinder communication between management and workers.
2. The factory does not have an effective internal audit system in place, especially for labor related issues. There is not a database for keeping track of compliance issues and performance.
3. Only one compliance officer is responsible for dealing with labor compliance issues in all Esquel factories in Mauritius.
4. The factory management has not received specific training on the FLA Code and benchmarks.
5. Although the factory is a part of a group of factories owned by a single supplier, there are limited opportunities for collaboration between factories on labor issues.

##### FLA's Recommendations for Sustainable Improvements

1. Ensure that verbal warnings are documented, written warning letters are in the workers' local language, foreign migrant workers are provided with a copy of the written workplace rules.
2. Revise the existing Workplace Conduct & Discipline procedures to ensure that it covers all points covered in the finding.
3. Include worker representatives, local and migrant, in the development of policies and procedures and in the disciplinary actions decision making process by forming a disciplinary committee with equal representation from management and workers. Ensure that the committee sanctions all disciplinary actions by democratic vote.

4. Revise the existing disciplinary procedure manual (5.5.TIL.03.02.01) to include third parties as witnesses to the imposition and the appeal process of disciplinary actions.
5. Review the internal audit system at both the group and factory level to ensure periodic labor audits.
6. Consult with the FLA and organize joint training sessions for managerial staff to raise awareness of the FLA code and benchmark requirements.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

- 1- Warnings are confidential and only HR and department heads are involved.
- 2- Warning letters are confidential. So we cannot have anyone else do the translation.

We have translated documents for employment contracts. All written warning letters have a statement that the contents have been explained in local language and workers acknowledge the same. It is extremely difficult to translate all warning letters because we do not have an official translator.

- 3- Guidelines to discuss all disciplinary cases and policy revisions with the workers council

## FINDING NO.7

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Grievance System

#### Finding Explanation

1. Workers are not involved in the development of policies and procedures or in the evaluation and decision making process for grievances. [ER.25]
2. The supplier group does not have a complaint channel for workers to file grievances when local resources have been exhausted. [ER.25]
3. The existing Grievance policy and procedures (5.5.TIL.03.01.01) do not include details on grievance logs kept by supervisors, having elected worker representatives present when the complaint boxes are opened and grievances are registered, clear criteria on which grievances supervisors must report to HR, how to crosscheck information provided by supervisors with workers to verify if their grievances have been resolved. [ER.1, ER.25]
4. The grievance log summaries do not include all grievances filed by workers. Currently, supervisors decide which grievances are reported to management without following any written criteria. These logs are not properly maintained properly and FLA assessors noted that some of the logs did not include the dates of complaints filed, supervisor signatures, and details about the complaint. [ER.1, ER.25]
5. The practice of supervisors providing a grievance summary report stopped in April 2018 because supervisors were not delivering these reports to HR on time and HR had to constantly remind them. Currently, the HR team only reviews complaints filed directly with the HR team. [ER.1, ER.25]
6. Although there is a section in the factory's Grievance Procedures Manual for protecting workers against potential retaliation when filing grievances, it is not clear which department/manager is ultimately responsible, how exactly workers can reach this department/manager, what kind of safeguards are in place, and how exactly workers will be protected. [H/A.1, ER.25]
7. Workers filed ten verbal harassment and abuse complaints in November 2018 but the factory did not have detailed information on these complaints. Additionally, these complaints had not been evaluated at the time of the assessment. [ER.25]

#### Local Law or Code Requirement

#### Root Causes

1. The absence of an effective worker representative system has prevented workers from being involved in the decision-making process and has hindered communication between management and workers.
2. The factory does not have an effective internal audit system in place, especially for labor related issues. There is not a database for tracking of compliance issues and performance.
3. Only one compliance officer is responsible for labor compliance issues for all Esquel factories in Mauritius.
4. The factory management has not received specific training on the FLA Code and benchmarks.
5. Although the factory is a part of a group of factories owned by a single supplier, there are limited opportunities for collaboration between factories on labor issues.

#### FLA's Recommendations for Sustainable Improvements

1. Ensure that the Grievance policy and procedures (5.5.TIL.03.01.01) cover the missing points outlined in the above finding.
2. Ensure that the grievance log summaries prepared by supervisors include all grievances filed by workers and these logs are maintained properly without any quality issues.
3. Ensure that supervisors deliver grievance summary reports to HR department in a timely manner and the HR team reviews these reports.
4. Expand the grievance procedures to include protection for workers against potential retaliation when filing grievances, clarify which department/manager is ultimately responsible, how exactly workers can reach this department/manager, what kind of safeguards are in place, and how exactly workers will be protected.
5. Ensure that all complaints are evaluated and resolved in a timely manner.
6. Include elected worker representatives, local and migrant, in the development of policy and procedures. Additionally, include these representatives in the decision-making process of the Grievance System through the formation of a Grievance Evaluation Committee with equal representation from management and workers. Ensure that this committee evaluates all grievances.
7. Revise the existing grievance procedure manual (5.5.TIL.03.01.01) to include a supplier group level complaint channel for workers to file grievances when local resources are exhausted. Clearly outline the guidelines to prevent retaliation.
8. Review the internal audit system in place at both the group and factory level to ensure periodic labor audits take place.
9. Consult with the FLA and organize joint training sessions for managerial staff to raise awareness of the FLA code and benchmark requirements.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

- 1- Review grievance policy and procedure
- 2- Reactivate grievance collection at supervisor level
- 3- Create procedure to record all verbal complaints filed
- 4- Grievance redressal reporting mechanism to be developed

#### Company Action Plan Update

- 1- Reviewed grievance policy and procedure
- 2- Create procedure to record all verbal complaints filed
- 3- Grievance redressal reporting mechanism to be developed

## FINDING NO.8

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. Out of six chemicals sampled, one chemical did not have the MSDS form while the MSDS forms for the remaining five chemicals were only in English and not in the local language. [HSE.10]
2. The stain removing area is not isolated from the production area. [HSE.9, HSE.13]
3. The factory does not provide personal protective equipment (PPE) at the stain removing section. [HSE.7]
4. The factory does not have an effective system to track when to change the filters of respirators. Assessors noted that some respirators were changed on different dates others had new and old cartridges. [HSE.7]

##### Local Law or Code Requirement

Occupational Safety and Health Act, Articles 67 and 82; FLA Workplace Code (Healthy, Safety and Environment Benchmarks HSE.7, HSE.9, HSE.10, HSE.13)

##### Root Causes

1. There is no active worker involvement with ongoing health and safety efforts, including internal audits, developing policy and procedures, and risk analysis.
2. The risk assessment, last conducted in May 2017, does not include most of the serious risks within the workplace, including the stain removing section, thermal comfort conditions, structural safety, high-risk machinery in the mechanic workshop. Furthermore, one member of management conducted this risk assessment instead of the EHS Committee.
3. Although there are Health & Safety audits in place, there is not a database for keeping track of compliance issues and performance.
4. The factory previously had a separate stain removing section but this section is not in use anymore. The current stain removing area is temporary space.
5. The factory management does not know much about FLA benchmark requirements.
6. Although the factory is a part of a group of factories, there are limited opportunities for collaboration between factories on labor and EHS issues.

##### Recommendations for Immediate Action

1. Make all MSDSs available in the local language in areas where chemicals are stored and used.
2. Ensure that all MSDS in the factory are in line with international standards.
3. Ensure that the PPE in the areas where chemicals are used are in line with the MSDSs and provide adequate protection from the risks associated with the chemicals in use.
4. Ensure that stain removing area is isolated from the production area and located in a ventilated area.
5. Provide proper PPE workers in the stain removing section, including respirators, goggles, and gloves.
6. Implement a system to track the filter changing period for respirators.

##### FLA's Recommendations for Sustainable Improvements

1. Involve elected worker representatives, both local and migrant, in ongoing EHS efforts, including internal audits, the development of

policies and procedure, and risk analysis.

2. Review the internal audit system in place at both the group and factory level to ensure the quality of the EHS audits.
3. Increase the potential for collaboration between factories through HQ-level intervention.
4. Conduct a training-needs assessment for EHS staff and elected worker representatives. Conduct a similar training-needs assessment for the entire workforce based on risk group. Create an annual training plan in light of the results of the training-needs assessments.
5. Update the risk assessment report with input and participation from the EHS committee.
6. Conduct annual Volatile Organic Compounds (VOC) measurements in the chemical use areas.
7. Implement a system to replace hazardous chemicals with less hazardous alternatives.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Facility will ensure that all SDSs available in the local language in areas where chemicals are stored and used.
2. Facility will ensure that all SDS in the factory are GHS compliant.
3. Facility will ensure that the PPE in the areas where chemicals are used are in line with the SDSs and that they provide adequate protection from the risks associated with the chemicals in use.
4. Facility will ensure that stain removing area is isolated from the production area and located in a ventilated area.
5. Facility will provide proper PPE to the workers in the stain removing section, including respirators, goggles, and gloves.
6. Facility will work on implementing a system to track the filter changing period for respirators.

#### Company Action Plan Update

1. All chemicals have been checked and their SDS (GHS Compliant) have been affixed at the chemical store and a copy kept with the chemical supervisor and CSR team. All SDS for chemicals have been translated to Malagasy and Creole - although for Creole, it is just a spoken dialect and there is no official writing form yet.

2. The Spot Cleaning Area (Stain removing) has been segregated to a separate chamber whereby the air particles are not exposed to the employees.

3. While the Spot Cleaners use only soap and water to remove stain, the facility has provided each of the employees with face mask and goggles to use.

4. Respirators are changed on a frequency of 6 months unless damaged whereby it is changed upon inspection or request from the employee. The chemical supervisor is responsible to ensure timely checks and replacement of the cartridges.

### Action Plan no 2.

#### Description

1. Make all MSDSs available in the local language in areas where chemicals are stored and used.
2. Ensure that all MSDS in the factory are in line with international standards.
3. Ensure that the PPE in the areas where chemicals are used are in line with the MSDSs and provide adequate protection from the risks associated with the chemicals in use.
4. Ensure that stain removing area is isolated from the production area and located in a ventilated area.
5. Provide proper PPE workers in the stain removing section, including respirators, goggles, and gloves.
6. Implement a system to track the filter changing period for respirators.

### Company Action Plan Update

1 /2. All MSDS are available for each chemical in use at EML and are in accordance with international standards. Translation in local language is in progress.

3. PPE used in the chemical section are in line and comply with the MSDS recommendation. 4/5. Stain removing section has been removed and relocated in ventilated area. All related PPE are issued to workers involved on stain removal operations. 6. Filters for respiratory masks are properly tracked and changed periodically.

## FINDING NO.9

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The fire alarm panels are not active in the factory and warehouse buildings. [HSE.5]
2. The electrical fire pump's automatic activation feature is disabled. [HSE.6]
3. The main discharge connection valve of the fire pumps is not locked in the open position. [HSE.5]
4. The number and location of Liquefied Petroleum Gas (LPG) detectors in kitchens and dormitories are insufficient to cover all LPG use areas. [HSE.5]
5. The door of the LPG tank area is not locked, which poses a risk of unauthorized access. [HSE.1]
6. Some sprinkler heads in the production area are embedded in the suspended ceiling which limits the efficiency of the sprinkler system. [HSE.6]
7. The boiler room, the pump room, the old stain removing room, the office building, and the separated areas in the production areas and warehouse buildings are missing fire detectors. [HSE.6]
8. The emergency exit doors are not smoke sealing or fire resistant. Additionally, these doors have sliding latch locks. [HSE.5]



9. One fire extinguisher was empty near the chemical storage area. Another fire extinguisher was missing from its marked location (FEG04) but was replaced during the assessment. The safety pin of fire extinguisher (FEY26) was missing. The fire extinguishers at the security cabin were not mounted on the wall but placed on the floor. [HSE.5]
10. There are no signs leading to the emergency assembly area. [HSE.5]
11. Some exit signs are only in English and Chinese and not in the local language. [HSE.5]
12. The emergency evacuation plans posted in the production and dormitory areas are too small and not visible. [HSE.5]
13. Some emergency exit doors in the dormitory buildings opening inwards. [HSE.5, HSE.25]
14. Most of the emergency illumination equipment in the production areas are not battery powered. They are connected to the power generator. [HSE.5]
15. Fire pump tests are not conducted on a weekly basis. [HSE.6]
16. No portable fire extinguishers are mounted on the cabinets or the braces of forklift trucks. [HSE.6]
17. The factory does not have a system for conducting hydraulic pressure tests of the sprinkler system on a periodic basis. [HSE.6]
18. The showers in the dormitory buildings do not have gas detectors. Instant gas water heaters are used in these showers. [HSE.6]
19. There are no sprinkler zone valves in the factory building; there are only floor valves. One valve controls the ground and first floor, which represents a total area of 12,660 square meters, while the second valve controls the second floor, which is 8,146 square meters. Both areas exceed 3,720 square meter limit defined in National Fire Protection Association (NFPA) 13. [HSE.6]
20. There is a bent rack in the carpentry section which poses a risk of collapsing materials. [HSE.1]

#### Local Law or Code Requirement

Occupational Safety and Health Act, Articles 65, 74, and 75; FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1, HSE.5, HSE.6, and HSE.25)

#### Root Causes

1. There is no active worker involvement in ongoing EHS efforts, including internal audits, the development of policy and procedures, and risk analysis.
2. The factory management has not received specific training on the FLA Code and benchmarks.
3. Although the factory is a part of a big supplier group with many factories, there are limited opportunities for collaboration between factories on labor and EHS issues.
4. Most of these issues have not been identified during internal or external audits within the last 12 months.

#### Recommendations for Immediate Action

1. Ensure that the fire alarm panels in the factory and warehouse buildings are active.
2. Enable the automatic activation feature of the electrical fire pump and ensure that it stays that way.
3. Ensure that the main discharge connection valve of the fire pumps is locked in the open position.
4. Install additional LPG detectors in kitchens at factory and dormitories to ensure that all LPG use areas are covered.
5. Lock the LPG tank area at all times to prevent unauthorized access.
6. Reposition sprinkler heads embedded in the suspended ceiling.
7. Provide fire detectors in boiler room, pump room, old stain removing room, office building and separated areas in production and warehouse buildings.
8. Prepare a plan to change emergency exit doors with smoke sealing and fire-resistant ones. Remove the sliding latch locks on emergency exit doors.
9. Replace the empty fire extinguisher near the chemical storage area. Replace fire extinguisher FEY26. Regularly check fire extinguishers to ensure that safety pins are in place. Mount the fire extinguishers on the wall in the security cabin.

10. Place signs leading to emergency assembly area throughout the buildings.
11. Ensure that all exit signs are in the local language.
12. Revise and enlarge existing emergency evacuation plans posted in production and dormitory areas.
13. Ensure that all emergency exit doors in dormitory buildings are opening outwards.
14. Replace emergency lights in production areas with battery powered alternatives or cables.
15. Revise the fire pump test procedure to conduct pump tests weekly.
16. Mount fire extinguishers in cabinets or braces of forklift trucks
17. Create a system to conduct periodic hydraulic pressure test of the sprinkler system.
18. Provide gas detectors at showers in dormitory buildings where instant gas water heaters are in use.
19. Reduce the total area controlled by a single zone valve to 3,700 square meters to eliminate possible risks related to accidental discharge or disabling the sprinkler system in a very large area in case of a maintenance/repair activity.
20. Repair the rack in carpentry section and place a maximum load limit label on it.

#### FLA's Recommendations for Sustainable Improvements

1. Involve the elected worker representatives, local and migrant, in ongoing EHS efforts, including internal audits, the development of policy and procedure, and risk analysis.
2. Review the internal audit system in place to ensure the quality of the EHS audits.
3. Conduct a training-needs assessment for EHS staff and elected worker representatives. Conduct a similar training-needs assessment for the whole workforce and different workers in different risk groups. Create an annual training plan with those results deliver training accordingly.
4. Increase collaboration possibilities for different factories in different countries through HQ-level intervention to improve overall Health, Safety & Environment conditions.
5. Consult with the FLA and organize joint training sessions for managerial staff to raise awareness of the FLA Code and benchmark requirements.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Facility will ensure that the fire alarm panels in the factory and warehouse buildings are active.
2. Facility will enable the automatic activation feature of the electrical fire pump and ensure that it stays that way.
3. Facility will ensure that the main discharge connection valve of the fire pumps is locked in the open position.
4. Facility will install additional LPG detectors in kitchens at factory and dormitories to ensure that all LPG use areas are covered.
5. Facility will lock the LPG tank area at all times to prevent unauthorized access.
6. Facility will do a study assessing the feasibility of reposition sprinkler heads embedded in the suspended ceiling.  
Facility will provide fire detectors in boiler room, pump room, old stain removing room, office building and separated areas in production and warehouse buildings.
7. Facility will prepare a plan to change emergency exit doors with smoke sealing and fire-resistant ones. Facility will remove the sliding latch locks on emergency exit doors.
8. Facility will replace the empty fire extinguisher near the chemical storage area. Facility will also replace fire extinguisher FEY26. Facility's security personnel will regularly check the fire extinguishers to ensure that safety pins are in place. Facility will also mount the fire extinguishers on the wall in the security cabin and ensure no similar issues are present throughout the facility.
9. Facility will place signs leading to emergency assembly area throughout the buildings.
10. Facility will also work on a plan such that all exit signs are in the language understood by its employees.
11. Facility will work on revising and enlarging existing emergency evacuation plans posted in production and dormitory areas. Facility will further ensure that all emergency exit doors in dormitory buildings are opening outwards. Facility will be also working on a plan to replace emergency lights in production areas with battery powered alternatives or cables.

- Facility will revise the fire pump test procedure to conduct pump tests weekly.
- Facility will mount fire extinguishers in cabinets and braces of forklift trucks as requested.
- Facility will analyze the possibility of conducting periodic hydraulic pressure test of the sprinkler system.
12. Facility will provide gas detectors at showers in dormitory buildings where instant gas water heaters are in use.
13. Facility will work on the feasibility of reducing the total area controlled by a single zone valve to 3,700 square meters to eliminate possible risks related to accidental discharge or disabling the sprinkler system in a very large area in case of a maintenance/repair activity.
14. Facility will replace the rack in carpentry section and place a maximum load limit label on it.

#### Company Action Plan Update

1. All fire alarms have been serviced and some have been replaced (such as at the main factory).
2. The electrical fire pump has been set to automatic mode.
3. The main discharge connection valve of the fire pumps is kept locked in the open position.
4. Based on survey done by external party, the location of certain gas detectors were adjusted but the quantity remained the same since they were enough.
5. The LPG area is kept locked and access is only given to security or maintenance team.
6. The sprinkler system is yet to be addressed completely. The work is still in progress.
7. Fire detectors have been added in the locations which were missing.
8. All emergency doors have been replaced with fire resistant push bar door.
9. Fire Extinguishers are being monitored weekly by security team. All other shortcomings have been addressed.
10. All necessary signage have been installed both on the floor and on the corridor's wall.

11. The exit signs are in the Official Language of the Country, which is English. Creole language, the local dialect, is mostly spoken, and not written.
12. All evacuations plans have been posted in A3. Facility is currently carrying out feasibility study if bigger sizes would be more appropriate.
13. All door hinges have been changed whereby the doors open on the outside.
14. Gradually, the emergency lights are being replaced with those who have their own battery power. Currently, over 75% has been changed.
15. Fire pump tests are carried out weekly by the maintenance team.
16. All forklifts are equipped with fire extinguishers.
17. The company has been looking for an external party to carry out the test, but to date, no such company has been found. This is still in progress.
18. Service provider advised against installing the gas detectors since it can be tempered from the steam produced.
19. The control valves have not yet been added.
20. The rack has been removed and replaced with another proper one.

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The working and maximum working pressure levels of the pressure vessels are not marked on the manometers. [HSE.14]
2. Less than 3% of the inspected machines are missing needle guards. Workers have lifted up the needle guards on less than 5% of the inspected machines. [HSE.14]
3. The saw, drill, and grinding machines do not have machine guards in the mechanical workshops. [HSE.14]
4. The factory uses compressed air (air guns) for cleaning, which increases the amount of dust in the air. [HSE.1]
5. The factory does not have a written procedure on lockout-tagout. [HSE.14]
6. The factory has not conducted hydrostatic pressure tests for pressure vessels. The existing periodic inspection reports are only visual checks. [HSE.14]
7. The factory has not conducted load tests for lifting equipment (i.e. lifts, forklifts, trucks, elevators, stackers). The existing periodic inspection reports are only visual checks. [HSE.14]
8. The compressed air tank is not fixed to a permanent position. [HSE.14]
9. The forklift truck operators were observed not wearing seatbelts. [HSE.14]
10. The maximum load bearing capacity for the racks in the production and warehouse areas are not labelled. [HSE.1]

#### Local Law or Code Requirement

Occupational Safety and Health Act, Article 47; FLA Workplace Code (HSE.1 and HSE.14)

#### Root Causes

1. There is no active worker involvement in ongoing EHS efforts, including internal audits, the development of policy and procedures, and risk analysis.
2. The risk assessment, conducted in May 2017, does not include most of the serious risks within the workplace, including the stain removing section, thermal comfort conditions, structural safety, and high-risk machinery in the mechanic workshop. Additionally, a staff member from management conducted the risk assessment instead of the EHS Committee.
3. Although there are Health & Safety audits in place, there is not a database for keeping track of compliance issues and performance.
4. The factory has not received specific training on the FLA Code and benchmarks.
5. There are limited opportunities for collaboration between factories on labor and EHS issues.

#### Recommendations for Immediate Action

1. The working and maximum working pressure levels of the pressure vessels will be marked on the manometers.
2. All sewing machines will be provided with needle guards and workers will be trained and monitored to ensure effective use of these guards.
3. Provide guards for all high-risk machines in mechanical workshops.
4. Load tests will be conducted for lifting equipment.
5. Compressed air tank will be fixed to its permanent position.
6. Forklift truck operators will be trained on safety requirements including importance of using seatbelts. Effective use of seatbelts will be controlled during the internal monitoring activities.
7. Maximum load bearing capacity of the racks in production and warehouse areas will be posted on the racks.

#### FLA's Recommendations for Sustainable Improvements

1. Involve the elected worker representatives -local and migrant- in ongoing EHS efforts, including internal audits, the development of

policy and procedure, and risk analysis.

2. Review the internal audit system in place, at both the group and factory level, to ensure the quality of the EHS audits that are currently conducted by local factory management.
3. Increase potential collaboration of different factories in different countries through HQ-level intervention to improve overall Health, Safety & Environment conditions.
4. Conduct a training-needs assessment for EHS staff as well as elected worker representatives to identify specific training they should receive. Conduct a similar training-needs assessment for the whole workforce and different workers in different risk groups. Create an annual training plan in light of the results from the training-needs assessments and deliver training accordingly.
5. Update risk assessment report with in collaboration with the EHS committee
6. Consult with the FLA and organize joint training sessions for managerial staff to raise awareness of the FLA code and benchmark requirements.
7. Prohibit the use of compressed air for cleaning. If it is necessary to use compressed air, then drop the pressure in the air guns by two bars.
8. Create a written procedure on the implementation of lockout-tagout will be prepared.
9. Conduct hydrostatic pressure tests for pressure vessels.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. The working and maximum working pressure levels of the pressure vessels will be marked on the manometers.
2. All sewing machines will be provided with needle guards and workers will be trained and monitored to ensure effective use of these guards.
3. Provide guards for all high-risk machines in mechanical workshops.
4. Load tests will be conducted for lifting equipment.
5. Compressed air tank will be fixed to its permanent position.
6. Forklift truck operators will be trained on safety requirements including importance of using seat belts. Effective use of seat belts will be controlled during the internal monitoring activities.
7. Maximum load bearing capacity of the racks in production and warehouse areas will be posted on the racks.

#### Company Action Plan Update

1. The working and maximum working pressure levels of the pressure vessels have been marked on the manometers.
2. All sewing machines have been provided with needle guards and workers have been trained to ensure effective use of these guards.

Supervisors and PICs carry out frequent audits of the lines to ensure each machine is fitted with needle or eye guard.

3. All high-risk machines in mechanical workshops have been provided with guards and these are audited by the production maintenance team frequently.

4. Housekeeping and Mechanics team have been advised not to use air gun to clean the factory due to the hazards that it poses.

5. The company has developed a LOTO procedure and training has been provided to all mechanics and electricians. The same has been attached together with training records.

6 & 7. Hydro static pressure tests as well as Load tests will be conducted for pressure vessels and lifting equipment respectively. The company has been looking for third party companies to do the tests and this is currently in progress.

8. Compressed air tank has been fixed to the ground in its permanent position.

9. Forklift truck operators have been trained on safety requirements including importance of using seat belts. Effective use of seat belts is being controlled during the internal monitoring activities. Refresher trainings are being provided frequently.

10. Maximum load bearing capacity of the racks in production and warehouse areas have been posted on the racks.

## FINDING NO.11

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. Although there is a lightning rod in the facility, there is not a grounding measurement report for this lightning rod. [HSE.13]
2. The most recent grounding measurement report is from August 2017. The grounding measurement for 2018 had not been done at the time of the assessment. [HSE.13]
3. Several sections, including the boiler room, chemical warehouse and areas of dormitory building, do not have grounding connections. [HSE.13, HSE.25]
4. Some sections of the production building and some sections of the dormitory building do not have residual current device (RCD) protection. [HSE.13, HSE.25]
5. L-N reverse wired, reverse polarity, at some sockets in the production area and the dormitory building. [HSE.13, HSE.25]
6. There is no lightning rod protection at the dormitory buildings. [HSE.25]  
Some sockets in the dormitory building have been altered by the workers and pose the risk of electrocution. [HSE.25]

##### Local Law or Code Requirement

Occupational Safety and Health Act, Article 73; FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.13 and HSE.25)

##### Root Causes

1. There is no active worker involvement with ongoing EHS efforts, including internal audits, the development of policy and procedures, and risk analysis.
2. The risk assessment, conducted May 2017, was conducted by one management staff member rather than the EHS Committee.
3. Although there are Health & Safety audits in place, there is not a database for keeping track of compliance issues and performance.
4. Lack of awareness of FLA code and benchmark requirements.



5. Although factory is a part of a big group with many factories in different countries, there are limited opportunities for collaboration between factories on labor and EHS issues.

#### Recommendations for Immediate Action

1. Conduct grounding measurement for the grounding system of the production building and lightning rod that protects the production building.
2. Inspect and improve the grounding connections in problematic areas of the production building, including the such as boiler room, chemical warehouse, and dormitory buildings.
3. Provide RCD protection in all sections of the production and dormitory buildings.
4. Control and maintain L-N reverse wired -reverse polarity- sockets in production areas and dormitory buildings.
5. Ensure that dormitory buildings are protected from potential lightning strikes.
6. Maintain and isolate or replace altered sockets in dormitory buildings.

#### FLA's Recommendations for Sustainable Improvements

1. Involve the elected local and migrant worker representatives in ongoing health and safety efforts, including internal audits, the development of policy and procedure, and risk analysis.
2. Review the internal audit system in place, at both the group and factory level, to ensure the quality of the health and safety audits conducted by local factory management.
3. Increase collaboration opportunities for factories in different countries through HQ-level intervention to improve health, safety and environment conditions.
4. Conduct a training-needs assessment for health and safety staff and elected worker representatives to identify specific training opportunities. Conduct an assessment for the whole workforce. Create an annual training plan based on the results of the assessment and deliver training accordingly.
5. Update the risk assessment report in collaboration with the EHS committee.
6. Consult with the FLA and organize joint training sessions for managerial staff to raise awareness of the FLA code and benchmark requirements.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1 & 2. Grounding measurement as well as lightning rod test will be done and depending on the cost, the frequency of testing will be allocated.

3. Grounding connections in the whole facility will be re-examined and in areas missing, it will be remediated immediately.

4. RCD inspections will be carried out in whole facility as well as dormitories and any areas missing the same, will have the RCD fixed.

5. An inspection device will be purchased for use internally by electricians to detect reverse polarity issues.

6. Dormitory owners will be requested to add lightning rod and Esquel employees will be briefed and counseled against any tampering to electrical sockets and devices.

#### Company Action Plan Update

1 & 2. Lightning rod, grounding tests as well as facility's electrical systems will be tested by third party consultant.

3. Facilities team have improved grounding connections in some areas such as chemical warehouse and dormitories. However, the work is still in progress.

4. Residual current devices have been fixed in the areas which were missing.

5. Facilities team as well as dorm team have been provided with equipment to check the polarity and to correct any issues found.

6. Dormitories are being rented by the company. Whilst the facility has approached the dorm owners to invest on the lighting rod, due to the high cost, they are unwilling to do so. Esquel employees have been counseled to not tamper with any electrical device or equipment and dorm team have been tasked to report any tampering to the Administration Manager.

## FINDING NO.12

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The drinking water cups are for common use which makes workers vulnerable to contagious diseases. [HSE.23]

2. The factory does not have a food sampling procedure in place to protect against potential foodborne illnesses or food poisoning. Furthermore, there is not a specific person in charge of serving the meals; workers taking their own food from the pots. [HSE.22]

3. Some kitchen material, including knives and cleavers, are rusted and broken which can have an adverse effect on hygiene conditions. [HSE.19, HSE.22]

4. The restrooms on the second floor of the dormitory building do not have hand washing facilities. [HSE.25]

5. The assessors noted that food is stored in rooms in the dormitory building. [HSE.25]

6. The factory does not measure VOC (Volatile Organic Compounds). [HSE.9]
7. The factory does not conduct dust measurement. [HSE.13]
8. The factory does not have Calibration certificates for the devices being used for internal measurements. [HSE.13]
9. The factory conducts thermal comfort conditions once annually, despite numerous complaints from workers about bad thermal comfort. [HSE.13]
10. There is no drinking water analysis report for the water served in dormitories. Also, there is no system to ensure that the filters of the drinking water filtering system are checked and replaced on a periodic basis. [HSE.23, HSE.25]
11. The assessors observed cockroaches and bedbugs in the dormitory buildings. [HSE.25]
12. The air quality in the laser cutting section was poor because of insufficient ventilation and damaged exhaust pipes. [HSE.13]
13. The risk assessment report does not include dormitories or the warehouse building. [ER.31]
14. The factory does not label potable and non-potable water sources. [HSE.23]
15. The high chairs in the quality control and cutting departments are not height adjustable. [HSE.17]
16. The exhaust from the automatic cutting machines is not connected to the exhaust system. [HSE.13]
17. Although there is a list of personal protective equipment for different sections and departments in the factory, this list does not include any specifics about what type of personal protective equipment should be used in these sections and departments. [HSE.7]
18. The factory does not have a system to periodically inspect and control the conditions of the shuttle buses. [HSE.1]
19. Work accident investigations are not detailed enough to identify potential root causes. These investigations are only a general evaluation of accidents that happened throughout the month. [ER.31]

#### Local Law or Code Requirement

Employment Rights Act, Article 26; Occupational Safety and Health Act, Articles 37, 40, 41, 43, and 85; FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1, HSE.7, HSE.9, HSE.13, HSE.17, HSE.22, HSE.23, HSE.25; Employment Relationship Benchmark ER.31)

#### Root Causes

1. There is no active worker involvement in ongoing EHS efforts, including internal audits, the development of policy and procedures, and risk analysis.
2. The risk assessment, conducted in May 2017, does not include most of the serious risks within the workplace, for example stain removing section, thermal comfort conditions, structural safety, and high-risk machinery in the mechanic workshop. Furthermore, the risk assessment was conducted by one management staff member instead of the EHS Committee.
3. Although there are Health & Safety audits in place, there is not a database for keeping track of compliance issues and performance.
4. There are limited opportunities for collaboration between factories on labor and EHS
5. Although there is a system in place for conducting periodic audits in dormitories, the system is not effective as many questions in the checklist are unanswered, some audit reports were missing the names of certain dormitories.

#### Recommendations for Immediate Action

1. Ensure that workers do not use common drinking water cups. Provide workers with clean cups.
2. Implement a system for food sampling to eliminate potential foodborne illnesses/food poisoning.
3. Monitor the kitchen material on a periodic basis to ensure that they are in good condition. Replace when necessary.
4. Provide hand washing facilities in restrooms on the second floor of the dormitory building.
5. Prohibit workers from serving themselves from communal pots. Assign canteen staff to serve food in the canteen.
6. Prohibit food storage in rooms at dormitory buildings.

7. Conduct VOC measurement where chemicals stored and used.
8. Conduct dust measurement within the facility where dust concentration is high, such as the cutting and sewing sections.
9. Ensure that the calibration certificates of the devices being used for internal measurements are available and valid.
10. Conduct thermal comfort conditions measurements twice annually, during the hot and cold season.
11. Conduct drinking water analysis for the drinking water served in dormitories. Implement a system to ensure that the filters for the drinking water filtering system are checked and replaced periodically.
12. Implement an inspection and prevention plan for cockroaches and bedbugs in the dormitory buildings.
13. Improve ventilation in laser cutting section and repair damaged exhaust pipes in this section.
14. Update the risk assessment report in collaboration with the EHS committee. Ensure that it covers dormitory buildings.
15. Label potable and non-potable water sources as such.
16. Modify high chairs in the quality control and cutting departments to make them height adjustable.
17. Connect the exhaust pipes of the automatic cutting machines to the exhaust system.
18. Revise the existing list of PPE for different sections and departments and include specifics about what type of PPE shall be used in these sections.
19. Implement a system to control the conditions of the shuttle buses on a periodical basis.
20. Provide more details on work accident investigations. Discuss potential root causes during the EHS committee meetings.

#### FLA's Recommendations for Sustainable Improvements

1. Involve the elected worker representatives, local and migrant, in ongoing EHS efforts, including internal audits, the development of policy and procedure, and risk analysis.
2. Review the internal audit system in place, at both the group and factory level, to ensure the quality of the EHS audits. Address quality issues observed in dormitory audits.
3. Increase collaboration opportunities for factories in different countries through HQ-level intervention to improve health, safety, and environment conditions.
4. Conduct a training-needs assessment for health and safety staff and elected worker representatives to identify training opportunities. Conduct a similar assessment for the whole workforce. Create an annual training plan based on the results and deliver training accordingly.
5. Consult with the FLA and organize joint training sessions for managerial staff to raise awareness of the FLA code and benchmark requirements.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Disposable biodegradable cups are provided for drinking water.
2. Food sampling covering all kitchen will be set, training will be given to all cooks on the food sampling procedure and all sample will be stored for 48 hours in a dedicated fridge.
3. Regular checks and canteen audits will be carried out to ensure all kitchen materials and utensils are in good conditions.

4. Hand wash facility in dorms will be enhanced in rest rooms.
5. Specific canteen staff will be solely assigned to serve food in the canteen during lunch/dinner times.
6. Awareness sessions will be carried out and daily checks will be done to ensure that no food is stored in rooms of dorms.
7. Mauritius Cane Industry Authority (MCIA) has been contacted to conduct VOC measurement where chemicals are stored.
8. Dust particles measurements will be conducted in both Cutting and sewing section by Mauritius Cane Industry Authority.
9. All measuring devices used for internal measurement will be having Calibration certificates.
10. Thermal comfort condition measurement will be started in July 2019 and will be carried out twice yearly - Winter and summer season.
11. Drinking water analysis to be carried out every month at EML dorms is under study and water filters maintenance and replacement will be enforced.
12. Prevention plan for cockroaches and bedbugs will be enhanced through our service provider and treatment will be carried out twice per year.
13. Improvement of the exhaust pipe in laser cutting section will be understudy.
14. Risk assessments will be started for all operations including dorms.

15. Water sources will be properly labelled as potable and non-potable.

16. All high chairs will be under review to make them adjustable.

17. Exhaust pipe in cutting section will be connected to exhaust system.

18. List of PPE by section and departments will be recorded and certificate of compliance will be requested from each supplier.

19. Transport department will put in place a checklist to control shuttle buses conditions on a periodical basis and this will also concern with the submission of fitness certificate of each buses/ vehicles issued by the Road Traffic Licensing Authority.

20. Accident investigation will be reviewed and will be more pertinent and in depth. Same will be discussed on H&S committee meetings

#### Company Action Plan Update

1. Disposable biodegradable cups are provided for drinking water.

2. Food sampling (covering all various kitchens) is already in place. Training has been given to all cooks on the food sampling procedure and all samples are stored for 48 hours in a dedicated fridge. Plse refer to picture attached.

3. Regular checks and canteen audits are carried out by the Admin/CSR and Internal audit team to ensure all kitchens and the cooking utensils are kept in good conditions.

4. Hand wash facilities in dormitories' restrooms have already been implemented.

5. Specific canteen staff, wearing proper PPE, are assigned to serve food in the canteen during the lunch/dinner times.

6. Awareness sessions have been carried out and daily checks are done by the dorm admin/housekeeping team to ensure that no food is being stored in the rooms of dormitories.

7. Mauritius Cane Industry Authority (MCIA) has carried out VOC measurement as well as both indoor and outdoor air monitoring, with focus in areas where chemicals are stored. The test report is attached.

8. Dust particles measurements have been conducted in both Cutting and Sewing section by the Mauritius Cane Industry Authority.

9. Calibration certificates from the Mauritius Standard Bureau (MSB) are available for all measuring devices used for internal measurement. An example has been uploaded.

10. Thermal comfort condition measurement has started in July 2019 and will be carried out twice yearly - Winter and summer season.

11. Drinking water analysis is carried out monthly at EML main factory by Laboratoire Internationale de BioAnalyse (Third party accredited laboratory) and water filters (UV and Sediment Filters) are maintained and replaced every six months by the service provider - Chemco. An inspection record is kept with the Admin team on the frequency of exchange. The source of drinking water for dormitory, that is the borehole, is being tested on a monthly basis to ensure the water is of drinking water quality.

12. Prevention plan for cockroaches and bedbugs already in place through our service provider Enervia and treatment is carried out twice per year.

13. Improvement of the exhaust pipe in laser cutting section has been initiated as a feasibility study.

14. Risk assessments are on going in all operations including dormitories.

15. All Water sources are properly labelled as potable or non-potable.

16. All high chairs are under review to make them adjustable.



17. Exhaust pipe in cutting section is now connected to exhaust system.

18. List of PPE by section and departments has already been completed and certificate of compliance has also been received from supplier. An example has been attached.

19. Transport department has put in place a checklist to control shuttle buses conditions on a periodical basis. The fitness certificate of each buses/ vehicles issued by the National Transport Authority (NTA) is also monitored by the transport department on an annual basis.

20. Accident investigation has been reviewed and is now more pertinent and in depth. Same is being discussed on H&S committee meetings.

## FINDING NO.13

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Environmental Protection

#### Finding Explanation

1. One section of the nonhazardous solid waste area is labeled as 04-02-10 (organic matter from natural products). [HSE.1]
2. Some solid waste (paper, nylon, and fabric) is stored in mixed formation at the waste storage area. [HSE.1]
3. The factory has not conducted any energy or water audits regarding usage and efficiency. [HSE.1]
4. There is no secondary containment for the diesel tank in the boiler room. [HSE.1, HSE.9]
5. The exterior air conditioning units are exposed to direct sunlight which reduces efficiency. [HSE.13]
6. The factory leaves lights on during the breaks. Additionally, some non-operational work stations are illuminated at all hours. [HSE.1]
7. Oil-contaminated water comes out of compressors, dryers, and the air tank and is directly discharged outside. [HSE.1]
8. The temperature of the condensed water discharged to the outside environment is measured at 70-80 degrees Celsius, which might be hazardous for the environment. [HSE.1]
9. The waste management plan does not include specific details on cooking oil, mineral oil, glass, wood, tube lights, electric waste, and printer cartridges. [ER.31]
10. The assessors observed major air leakages in the compressor room and in different sections of the production department. [HSE.1 HSE.13]
11. The drainage for the emergency eye and body wash stations are connected to the outside environment. [HSE.1]

#### Local Law or Code Requirement

FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1, HSE.9, and HSE.13; Employment Relationship Benchmark ER.31)

### Root Causes

1. There is no active worker involvement with ongoing EHS efforts, including internal audits, the development of policy and procedures, and risk analysis.
2. Although there are Health & Safety audits in place, there is not a database for keeping track of compliance issues and performance.
3. The factory management has not received specific training on the FLA Code and benchmarks.
4. There are limited opportunities for collaboration between factories on health and safety.
5. The factory has not conducted an environmental risk assessment.
6. There is limited training on Health, Safety & Environment for workers or supervisors, nor is such training part of the annual training plan. The factory has not conducted a training-needs assessment. The factory does not provide any training on Environmental Protection other than chemical spills response training.
7. Most of these issues identified above were not identified during internal or external audits over the last 12 months.

### Recommendations for Immediate Action

1. Review and address issues related with labeling the solid waste areas.
2. Ensure that oil-contaminated water from the compressor, tank, and dryer is not directly discharged into the ground outside.
3. Ensure that all solid waste is stored in designated waste storage areas.
4. Provide secondary containment for diesel tank in boiler room.
5. Create a system, such as a temporary storage tank, to decrease the temperature of the condensed water coming out of boiler room.
6. Repair the pipes/connections to eliminate air leakages observed in the compressor room and the different sections of the production department.
7. Connect drainage of the emergency eye and body wash stations to a container and treat it as hazardous waste.

### FLA's Recommendations for Sustainable Improvements

1. Involve the elected worker representatives -local and migrant- in ongoing EHS efforts, including internal audits, the development of policy and procedure, and risk analysis.
2. Review the internal audit system in place, at both the group and factory level, to ensure the quality of the EHS audits that are currently conducted by local factory management.
3. Increase potential collaboration of different factories in different countries through HQ-level intervention to improve overall Health, Safety & Environment conditions.
4. Conduct a training-needs assessment for EHS staff as well as elected worker representatives to identify specific training they should receive. Conduct a similar training-needs assessment for the whole workforce and different workers in different risk groups. Create an annual training plan in light of the results from the training-needs assessments and deliver training accordingly.
5. Conduct an Environmental Risk Assessment in collaboration with the EHS committee.
6. Consult with the FLA and organize joint training sessions for managerial staff to raise awareness of the FLA code and benchmark requirements.
7. Start conducting energy and water audits regarding usage and efficiency.
8. Provide shading for exterior units of ACs exposing direct sunlight.
9. Prepare and implement a procedure for turning off lights during breaks and in non-operational work stations.
10. Ensure that the waste management plan includes specific details on cooking oil, mineral oil, glass, wood, tube lights, electric waste, and printer cartridges.

## **COMPANY ACTION PLANS**

## Action Plan no 1.

### Description

1. All waste are now labelled in appropriate bins. Solid waste have been segregated and appropriately disposed. Procedures are in place for different types of waste ( Paper, Plastic, hazardous, e waste and liquid waste.)
2. Oil contaminated water from compressor, tank and dryers are contained in receptacles and disposed used oil by recycling contractor.
3. All solid waste are stored in designated waste storage areas. Procedures on same has been reinforced.
4. Implementation of secondary containment for diesel tank in boiler room is under study.
5. Methodology to decrease the temperature of the condensed water coming out from the boiler room is actually under study.
6. Reparation of pipes and connections in compressor rooms to avoid air leakage.
7. Drainage from emergency eye and body wash station will be diverted to a containment for eventual disposal in case of incident. Technical team will be working on the project.

### Company Action Plan Update

1. European Waste Codes have been removed as they are not applicable in the country.
2. There is proper segregation of waste. Some pictures are uploaded as proof.
3. Internal Energy Audit and Water Balance have been carried out at the facility by maintenance engineer.
4. The secondary containment for diesel tank in boiler room is under study by facilities team.

5. The air conditioning units cannot be relocated. The majority of them are in the shade for 8 out of 9 hours every day.
6. Lighting is switched off in some areas during breaks - not the whole floor. At night, since only cutting is working night shift, lighting in all other areas are switched off.
7. A feasibility study is ongoing to review the current process.
8. The facility is working on a closed loop system to recycle back the hot utility back to the feed water tank of the boiler.
9. All shortcomings listed above have been addressed in the Waste Management Plan.
10. Production and Facilities team have initiated a joint task force to identify and repair all air leakages found.
11. The drainage has been connected to the municipal sewer line.

## FINDING NO.14

### SUSTAINABLE IMPROVEMENT REQUIRED

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

##### Finding Explanation

1. The factory does not have a defined period to review and revise the internal policy and procedures for any of the Employment Functions. The existing policies and procedures are only reviewed when there is a change in local law. Some revisions were made in 2011. It is not clear what revisions were made as the revisions were not recorded on the revised policy and procedures. [ER.1]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

##### Root Causes

1. The factory management lacks knowledge of the FLA Code and Benchmark requirements.
2. Management representatives develop and revise policies and procedures without consulting elected worker representatives.
3. There is not a clear procedure on how often and in what manner to communicate with workers on these issues.
4. Review of existing policy and procedures is not a part of the internal monitoring system.

##### FLA's Recommendations for Sustainable Improvements

1. Review the internal audit system in place, at both the group and factory level, to ensure that policies and procedures are checked during these audits.
2. Consult with the FLA to organize joint training sessions for managerial staff to raise awareness of the FLA Code and benchmark requirements.
3. Include elected worker representatives in the development of policies and procedures and the revision of communication procedures.
4. Create and implement a procedure to regularly review all internal policies and procedures without waiting for a change in legislation.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Policy to review and revise all policies and procedure every 2 years , and every time a revision is required, to be created.

#### Company Action Plan Update

Policy to review and revise all policies and procedure every 2 years , and every time a revision is required, created.

## FINDING NO.15

## SUSTAINABLE IMPROVEMENT REQUIRED

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

#### Finding Explanation

1. The factory does not frequently communicate the policies and procedures and their updates for the following Employment Functions: Recruitment, Hiring & Personnel Development, Hours of Work, Industrial Relations, Workplace Conduct & Discipline, Termination, Grievance System, and Health & Safety. [ER.1, ER.16]

#### Local Law or Code Requirement

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

#### Root Causes

1. The factory management lacks knowledge on the FLA Code and Benchmark requirements.
2. There is not a clear procedure on how often and in what manner to communicate with workers on these issues.
3. Review of communication is not a part of the internal monitoring system
4. Management assumes that their communication channels, including posting notices or using announcement boards, are effective. However, these channels are not sufficient for workers to understand factory policies and procedures.
5. There is not an effective worker committee and or representation within the factory.

#### FLA's Recommendations for Sustainable Improvements

1. Use the JCC more effectively to communicate with the workforce. Additionally, include migrant workers in this communication.
2. Review the internal audit system in place, at both the group and factory level, to ensure level of communication on employment functions is covered.
3. Consult with the FLA to organize joint training sessions for managerial staff to raise awareness of the FLA Code and benchmark requirements.
4. Include elected worker representatives in the development of policies and procedures and the revision of communication procedures.
5. Do not rely solely on written communication channels.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Training calendar to include Policy and Procedure training on Hours of Work, Industrial Relations, Workplace Conduct & Discipline, Termination, Grievance System, and Health & Safety.

Implement training as per the training calendar.

## FINDING NO.16

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Training (Macro)

#### Finding Explanation

1. The factory does not provide on-going training for workers and supervisors on any of the employment functions. Training is only provided during orientation. [ER.1, ER.15, ER.17]

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.17, ER.15)

#### Root Causes

1. The factory management lacks knowledge of the FLA Code and Benchmark requirements.
2. The factory has attempted training efforts in the past but shift-based work makes it difficult to implement..
3. There is not a clear procedure on how to conduct a training needs assessment.
4. The internal monitoring system only monitors for legally required trainings.
5. There is not an effective worker committee and/or representation within the factory.

#### FLA's Recommendations for Sustainable Improvements

1. Review the internal audit system to ensure that there are ongoing trainings on employment functions.
2. Consult with the FLA to organize joint training sessions for managerial staff to raise awareness of the FLA Code and benchmark requirements.
3. Include elected worker representatives in the development of a procedure on conducting training needs assessment and preparing annual training plan.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

The factory has always had and provided training for sewing operators. We will create training curriculum for other production operations such as cutting, embroidery and finishing.

#### Company Action Plan Update

We have created and implementing a structured training program for sewing line supervisors.

NOTABLE FEATURE

FINDING TYPE: Compensation

Finding Explanation

1. The factory helps workers who are single parents with support for their child's education: 100 children benefited from this support.
2. The factory shares food and beverages for religious events, such as Maha Shivaratree and Cavadee. 100 low income level workers benefited from this program.
3. The factory organizes an annual beach party for all employees. All workers participated in this event and had a chance to socialize and meet with their colleagues/managers in a non-working environment.
4. The factory provides breast cancer screenings for all female employees (if they consent to be screened. 1,500 female employees participated in screening sessions.
5. The factory organizes health campaigns (Blood Donations, Vaccinations) and nearly 2,500 employees benefited from this program.
6. The factory organizes workshops with the Ministry of Health on drug use, sexual harassment, and violence; 200 employees benefited from this program.
7. The factory organized a Road Safety/Awareness Campaign; 200 employees participated in this program.
8. The factory provides yoga, meditation, and Tai Chi sessions for employees.