



COMPANIES: Kazareen Textile Company

COUNTRY: Egypt

ASSESSMENT DATE: 12/04/18

ASSESSOR: FLA EMEA

PRODUCTS: Apparel

NUMBER OF WORKERS: 1200

Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

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

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

1. The factory has policies and procedures on Recruitment and Hiring practices however, there is no policy and procedures on personnel development and performance reviews that includes steps and processes, demonstrates linkages to job grading, prohibits discrimination, provides written feedback, and complies with legal requirements. [ER.28, ER.29, ER.30]
2. Existed recruitment and hiring polices does not include protection and requirements for special categories of workers. Recruitment and hiring procedures do not include information on prohibition against charging introduction fees from the recruitee (both for external and internal recruitment), prohibition of illegal or unnecessary/improper medical/pregnancy testing and guidance on special categories of workers. [ER.1]
3. The factory does not have policy and procedures on compensation, and written guidelines on a special wage and benefits structure for special categories of workers. [ER.1]
4. The factory does not have policy and procedures on hours of work, however, there are some documents and systems exist to manage working hours. [ER.23]
5. The factory has policy and procedures on termination, however, there is no written document on retrenchment. Termination policies do not include a commitment to nondiscrimination and transparency. Additionally procedures lack information on description of the appeals process available to the worker if he/she is terminated with a cause, the process for handling cases of worker death and incapacity, the process for notifying family/emergency contacts in the event of an worker's death and cooperating with them in relation to any investigation [ER.19, ER.32]
6. The factory does not have policy and procedures on Industrial Relations, however, there are some documents and systems exist to manage working hours. Existing documents do not include: [ER.1, ER.25]
7. The factory does not have policy and procedures on Workplace Conduct and Discipline. Only written workplace rules and their requirements document which is a legal document is in place. [ER.27]
8. The Environmental Protection procedures do not include following information: Steps to verify that the tanks (including above ground/underground tanks, if applicable) are not leaking, Steps for proper care and maintenance of the tank, including product removal and transportation, procedures enable workers to raise environmental concerns, procedures include protections for workers who allege environmental violations. [ER.31]

9. Health and Safety policy and procedures do not include: A complete list of machines that need guards, How each type of machine is to be guarded, Information regarding the proper use, maintenance, storage, and disposal of PPEs, Appropriate steps for selecting and purchasing PPE, Information on how individuals can safely adjust their work stations, Safety procedures for each laser source, A list of compressed gas cylinders within the factory, Steps on how different compressed gas cylinders should be transported/stored, Labeling and segregation, Safety precautions for each different type of gas (cylinder) stored, A list of equipment and/or machines that require lockout-tagout, and a list of the responsible persons for locking, unlocking, tagging, and untagging equipment and/or machines, A list of locations or tasks that require fall protection measures, Planning for food and water poisoning, Guidance on protection of special categories of workers, No guidance document for external contractors/service providers

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19, ER.23, ER.25, ER.28, ER.29, ER.30 and ER.31)

Root Causes

1. The factory has recently started to form its management systems.
2. There is no study on the procedures needs with the involvement of the workforce to identify gaps.
3. Management lacks awareness of FLA's Workplace Code, Compliance Benchmarks
4. These issues have not been brought to attention of the factory management during previous external audits.
5. There is not a comprehensive internal audit system to ensure compliance with FLA Workplace Code & Compliance Benchmarks.

FLA's Recommendations for Sustainable Improvements

1. Create personnel development policy and procedures on performance reviews that includes steps and processes, demonstrates linkages to job grading, prohibits discrimination, provides written feedback, and complies with legal requirements.
 2. Update recruitment and hiring policy and procedures according to FLA requirements.
 3. Create policy and procedures on compensation, and written guidelines on a special wage and benefits structure for special categories of workers.
 4. Create detailed policy and procedures on hours of work including all information according to FLA benchmarks.
 5. Create retrenchment policies and procedures including:
 - Steps for processing retrenchment
 - Consultation with worker/union representatives prior to making the final decision to retrench
 - A communications protocol regarding any labor authorities or other third parties that need to be notified
 - Relevant notice periods and methods in case of retrenchment
 - Steps for ensuring preferential hiring of retrenched workers if jobs open up again
 6. Ensure that termination and industrial relations policy and procedures are updated according to FLA requirements.
 7. Create Workplace Conduct and Discipline procedures and ensure that following details are included:
 - A definition of the factory's principles and rules for workplace conduct and discipline
 - A commitment to respect the local legal framework/ FLA code
 - Prohibition of any form of harassment and abuse
 - A commitment to progressive discipline and reasonable discipline practice
 - A statement that the policy is applicable to all levels and positions within the factory
 - Protection and consideration for special categories of workers?
 - Commitment to transparent and consistent disciplinary practices
 - Commitment to nondiscrimination and fairness?
 - Prohibition of applying monetary penalties as a form of disciplinary measure?
- On Procedures:
- Steps for a progressive discipline
 - The requirement to record all warnings and disciplinary actions, and filing requirements
 - The procedure for workers to appeal the disciplinary action
 - Prohibition of applying monetary penalties as a form of disciplinary measure
 - Mechanism to avoid any type of harassment, abuse and discrimination against workers when implementing disciplinary measures
8. Update Environmental Protection and Health and Safety procedures according to FLA requirements.
 9. Communicate all policy and procedures to all workers, supervisors and managers.
 10. Periodically review all policy and procedures to ensure they are updated according to legal requirements and FLA benchmarks.

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory provides orientation training to the workers however, it does not cover Compensation, Hours of Work, Industrial relations, Recruitment, Hiring, and Personnel Development, Termination and Retrenchment, Grievance System and Environmental Protection. Additionally workers do not receive a copy of orientation training. Workers only reads the training content and sign the records during the hiring process. [ER.1, ER.15]
2. The factory does not provide any ongoing training to the workers, except on Health and Safety. The factory has just started to provide training on Environmental Protection, however, it is very basic. [ER.1]
3. The factory does not provide specific training to supervisors on any of the Employment Functions. The factory has just started to provide training to the supervisors on the FLA Code of Conduct. [ER.17]

Local Law or Code Requirement

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

Root Causes

1. There is no study conducted with the involvement of the workforce on the training needs to identify gaps.
2. There is not a comprehensive internal audit system to ensure compliance with local laws/regulations and FLA Workplace Code & Compliance Benchmarks.
3. Management lacks awareness of FLA's Workplace Code, Compliance Benchmark
4. These issues have not been brought to attention of the factory management during previous external audits.

FLA's Recommendations for Sustainable Improvements

1. Ensure that the orientation training covers all employment functions and that they are clearly explained to new workers during hiring process.
2. Provide a copy of the orientation training content to all workers.
3. Create a training plan for all employment functions: Recruitment, Hiring, & Personnel Development, Compensation, Hours of Work, Industrial Relations, Grievance System, Termination & Retrenchment, and Environmental Protection.
4. Ensure that all workers, and supervisors are periodically trained on the above employment functions.
5. Implement a review mechanism to ensure that the training is effective.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

The factory does not effectively communicate its policies and procedures to the workforce.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.16, ER.25, ER.28.2, ER.30.2 and ER.32; Compensation Benchmark C.17)

Root Causes

1. The factory provides information related to factory implementations during hiring process, and supervisors give information in case workers ask them. There are also worker representation and grievance system. Due to existing practices the factory has not evaluated communication system so far.
2. Management lacks awareness on FLA benchmarks.

FLA's Recommendations for Sustainable Improvements

1. Post all updated and newly created policies and procedures throughout the factory. Announce to the workers that they can view the posted policies and procedures.

2. Communicate to all workers regarding the factory policy and procedures during the orientation and ongoing training processes.
3. Establish a system for integrating workers into the whole process of revising procedures and for receiving the workers' feedback.

FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The actual hiring date of the workers is normally 4 months before the starting date and the social insurance starting date in the factory's records. C.6
2. All contracts are annual limited contracts that are renewed every year. ER.9
3. The factory does not provide copy of employment contracts to the workers. ER.1
4. The factory has a performance evaluation system, however it is only based on head of departments review. Moreover, the workers do not receive feedback related to their evaluations. ER.29

Local Law or Code Requirement

Egyptian Labor Law no. 12 of 2003, Articles 15 and 32, FLA Workplace Code (Employment Relationship Benchmarks E.1 and E.R. 9, Compensation Benchmark C.6)

Root Causes

1. Hiring practices are not closely monitored by management
2. Limited contracts would provide an option for terminating the contract without retrenchment payments.
3. As factory has high turnover ratio and they are signing a contract each year for all population facility has missed providing a copy of the current contract to the workers.
4. The factory does not aware of FLA benchmarks.

Recommendations for Immediate Action

1. Ensure that employees sign and are provided with their contracts on their actual starting date.
2. Ensure that the actual hiring date is the initial date for all legally required hiring credentials/documentation.
3. Cease unnecessary repeated limited contracts and have a renewable unified contract for all applicable workers.
4. Register all workers with social security on their actual starting date.
5. Create an objective performance review system based on productivity of the workers, not only based managers' opinions. Provide feedback of the evaluation results to the workers.

FLA's Recommendations for Sustainable Improvements

1. Update the Recruitment, Hiring & Personnel Development policy and procedures according to FLA benchmarks, including commitment to register workers social security on hiring date, signing contracts on hiring date and providing a copy to the workers.
2. Provide training to HR staff on proper and legal hiring requirements and practices and updated policy and procedures.
3. Communicate updated policy and procedures including performance evaluations system to the workers.

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. Until June 2018 the factory was working with 2 shifts and 12 hours in a day as a regular practise, currently the factory works with 3

shifts and 10 hours in a day with 2 hours overtime work. [HOW.1, HOW.6, HOW.8.4]

2. Factory exceeds the maximum weekly working hours limit; 2 out of 26 checked records have exceeded the 60 hours limit per week in the month of October 2018; one worker in laundry packing department has worked for 63 hours and 67.5 hours per week in the first two weeks. Another worker from ironing department worked for 68 hours and 67.5 hours in the first two weeks. [HOW.1, HOW.8.3]
3. Factory exceeds the maximum daily working hours limit; 7 workers out of 26 sample records have exceeded the legal daily limit of 10 hours per day in the month of June 2018 as Dye and Knitting unit worked shifts of 12 hours/day. HOW.1
4. Workers punch their cards only for their check in time while attendance system operator is manually entering their check out, which means check out times are interfered by management.
5. Workers do not receive 24 hour rest period after 6 days of work according to Friday overtime records checked for the months from June 2018 to Nov 2018 that shows the following: [HOW.1, HOW.2]
 - a) July 2018: 79 workers has worked on Friday among which 11 workers has worked all Fridays in the month without a break.
 - b) August 2018: 100 workers have worked on Friday among which 3 workers worked all Fridays in the month without a break.
 - c) September 2018: 138 workers have worked on Friday among which 29 workers has worked all Fridays in the month without a break.
 - d) October 2018: 180 workers have worked in Friday among which 5 workers has worked all Fridays in the month without a break.
6. Excessive overtime records and Friday (rest day) work records are kept in a separate attendance record. [HOW.1]

Local Law or Code Requirement

Egyptian Labor Law no. 12 of 2003 Articles: 82, 83, and 85) FLA Workplace Code (Employment Relationship Benchmarks ER.23; Hours of Work Benchmarks HOW.1, HOW.2, HOW.6, HOW.8.3 and HOW.8.4)

Root Causes

1. The factory's production plan is based on working overtime.
2. The factory does not employ enough workers considering the volume of orders.
3. Management lacks awareness of the FLA's Workplace Code and Responsible Production Principles.
4. Although the Hours of Work procedures include a maximum of ten daily hours and 60 weekly hours, as per local law, this procedure has not been implemented.

Recommendations for Immediate Action

1. Ensure that daily (regular + overtime) working hours do not exceed ten hours.
2. Ensure that weekly working hours do not exceed 60 hours.
3. Provide workers with at least one day (24 consecutive hours) of rest for every seven-day period.
4. Ensure that workers are signing or punching in and out records themselves.
5. Include all working hours in one attendance system

FLA's Recommendations for Sustainable Improvements

1. Hire an appropriate number of workers considering the order volume.
2. Enhance the Hours of Work procedures to align them with local law and the FLA's Code requirements.
3. Train workers and management representatives on the policies and procedures and implement a mechanism to ensure training is effective. This training is to include both local law and FLA Workplace Code.
4. Use a time study system to evaluate the factory's production capacity and identify bottlenecks. Determine if the shortage of workers is causing excessive overtime and make any necessary changes, such as hiring new workers or line balancing.
5. FLA affiliate Company's Production, Sales, and Social Compliance teams should: a) implement FLA Principles of Fair Labor and Responsible Production and b) accordingly coordinate on the topics mentioned below to help the factory address its excessive hours issue:
 - a. Review of the factory's production capacity and planning;
 - b. Possible workshops and/or consultancy for the factory on how to improve productivity and quality;
 - c. Clear guidelines on how to make shipment deadline extension requests in case of contingencies;
 - d. Steps that factory management must follow if overtime is inevitable (steps for how to communicate with a brand's Sourcing and Social Compliance teams);
 - e. Clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks.

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory has a practice of shifting official holidays according to workers request so that they would have longer weekends, however, the factory does not pay correct premium for working hours on official holidays. [C.1, C.7]
2. Friday (rest day) work and excessive overtime records are kept separately and paid in cash. Payment for rest day work and excessive overtime are not included in the official payrolls. [C.5, C.16]
3. The attendance bonus is reduced if workers take more than 3 days of sick leave. [HOW.18]
4. The payment of wages is delayed until the 14th of the subsequent month. [C.1, C.4]
5. Due to shortage of medication the factory delays providing the medicine prescribed by the medical insurance representative doctor at its on-site clinic; a worker could wait up to 10 days to receive their prescribed medication. [C.1]

Local Law or Code Requirement

Egyptian Labor Law no. 12 of 2003 Article 85) FLA Workplace Code (Hours of Work Benchmark HOW.18, Compensation Benchmarks C.1, C.4, C.5, C.7, C.14, C.15, and C.16)

Root Causes

1. Management lacks awareness of the FLA Workplace Code.
2. Factory uses a manual calculation system since almost all out records are inserted manually which cause payment delays.
3. Factory keeps separate record for excessive overtime and Friday overtime to avoid exceeding legal limits in official system.
4. Since attendance bonus is provided by factory as a benefit, not a legal requirement; the factory use the initiative not to provide attendance bonus who are not actually attend to factory.
5. There is no system in place to monitor medical support provided at facility clinics.

Recommendations for Immediate Action

1. Ensure that all legal overtime premiums are paid correctly.
2. Ensure that the bonus system does not impose restrictions on the use of legally mandated benefits such as sick leaves.
3. Include all payments in one automated payroll system.
4. Pay all salaries within the first week, as stated in company policy.
5. Closely monitor all medical support activities provided at the clinic, and ensure that employees receive medicine in a timely manner.

FLA's Recommendations for Sustainable Improvements

1. Revise the Compensation policy and procedures. Provide enough detail to ensure that they are in line with the local law and regulations and the FLA Workplace Code.
2. Train workers and management on the policies and procedures, and implement a mechanism to ensure training is effective. Implement orientation and ongoing trainings, which should include, at a minimum: Labour law and secondary regulations relating to working hours, payments, benefits, and severance; Communication to workers; Problem solving and conflict resolution skills; Wages and Benefits implementation; Efficiency bonuses and their calculation method.
3. Prepare and implement an internal audit or review procedure to ensure that the factory's practices are in line with local law and the FLA Workplace Code.
4. FLA affiliate Company's Production, Sales, and Social Compliance teams should: a) implement FLA Principles of Fair Labor and Responsible Production and b) accordingly coordinate on the topics mentioned below to help the factory address its excessive hours and as a conclusion false payroll issue:
 - a. Review of the factory's production capacity and planning;
 - b. Possible workshops and/or consultancy for the factory on how to improve productivity and quality;
 - c. Clear guidelines on how to make shipment deadline extension requests in case of contingencies;

- d. Steps that factory management must follow if overtime is inevitable (steps for how to communicate with a brand's Sourcing and Social Compliance teams);
- e. Clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks.

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

The factory does not have procedures to conduct consultation meetings with workers or worker/union representatives before management reaches any final decisions on layoffs.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.32)

Root Causes

- 1- The factory barely terminates workers depending on disciplinary rules, and therefore the factory did not establish a comprehensive system for layoffs.
- 2- The factory does not aware of FLA benchmarks in detail.
- 3- Termination procedures do not include information on arranging consultation meetings for decisions on layoffs.

FLA's Recommendations for Sustainable Improvements

- 1- Arrange consultation meetings with workers or worker/union representatives before reaching any final decisions on layoffs.
- 2- Update the termination procedures to include consultation with the workers/ worker representatives for final layoff decisions.
- 3- Ensure that termination policy and procedures are communicated to workforce including worker representatives, supervisors, and managers.

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. Disciplinary actions are not recorded in personnel files [ER.2.1, ER.27.2.2]
2. Monetary deductions from production bonuses are used as disciplinary action against production and behavior issues. These deductions can be as high as three days worth of pay. [H/A.2]
3. Supervisors shout at, and use profanity when communicating with workers and their peers [H/A.5]
4. Disciplinary actions are not witnessed by a third party during imposition. [ER.27.4]

Local Law or Code Requirement

Egyptian Labor Law no. 12 of 2003 Article 77, FLA Workplace Code (Employment Relationship Benchmarks ER.2.1, ER.27.2.2, ER.27.4, Harassment or Abuse Benchmarks H/A.2, H/A.5)

Root Causes

1. The local law allows factories to make wage deductions as a form of discipline. Factory management does not know that monetary deductions as a form of discipline violate the FLA Code.
2. Management lacks awareness of the FLA Workplace Code.
3. Although management indicates that the supervisors are trained on their communication with the workers, apparently trainings were not sufficient.

Recommendations for Immediate Action

1. Remove monetary penalties from the factory's Workplace Conduct & Discipline procedures and cease implementing monetary fines as a form of disciplinary action.
2. Provide training for supervisors on proper communication with workers and proper disciplinary procedures.
3. All warnings and disciplinary actions will be recorded and filled in personnel files.

FLA's Recommendations for Sustainable Improvements

1. Ensure that the Workplace Conduct & Discipline policy and procedures include the following: a requirement to record and file all warnings and disciplinary actions; a prohibition of applying monetary penalties as a form of disciplinary measure; and, a mechanism to avoid any type of harassment, abuse and discrimination against workers during the implementation of disciplinary measures
2. Establish a system that allow workers to use the grievance channels in case they have experienced any shouting or inappropriate behavior from supervisors..
3. Ensure that disciplinary actions are witnessed by a third party during imposition.

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. The factory has a union committee in place. Union members (workers) elected a supervisor as representative in the committee, and the committee is formed by managers and workers from different departments assigned as representatives in the committee. Therefore only one position in the committee are elected by workers, with the remainder being assigned to union members. Additionally, there is no worker representative structure for non-unionized workers in the factory. [FOA.10 ER.25]
2. The factory does not provide any office space or other facilities for the union(s) or other worker representative structure(s). [FOA.15]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.25, Freedom of Association and Collective Bargaining Agreement chmarks FOA.10 and FOA.15)

Root Causes

1. Management believes that the current committee is sufficiently effective for workers to share any grievances and suggestions.
2. The factory has not clearly defined the worker representative system or responsibilities of the representatives in the Industrial Relations policy.
3. Since committee activities are leaded by trade union members so far, management has not evaluated the current worker representation system's efficiency in the factory so far.
4. Management lacks awareness of the FLA Workplace Code.

FLA's Recommendations for Sustainable Improvements

1. Ensure that union committee is also a worker representation committee, and represents all workers, not only union members. Managers should not be allowed to run to represent the unionized workers. All worker representatives on the committee should be directly elected by the workers.
2. Ensure that worker representatives' responsibilities and duties are clearly defined and communicated to workers. These duties shall cover any kind of issue that workers can comfortably communicate to the representatives, not only issues related to Health & Safety.
3. Ensure that every worker has a right to be a candidate for the elections. Representatives should be freely elected by the workers, these representatives should be made up of workers who can represent each group of workers, unorganized workers, different departments, female- male etc.

4. Communicate the election results to the workers.
5. Arrange meetings with the worker representatives and record minutes for the meetings.
6. Provide a space for the representatives that they can meet and discuss current issues.
7. Ensure that union and worker representatives meet by themselves and then meet management representatives to convey their meeting minutes to the management.

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The factory has implemented a new grievance channel through an email and WhatsApp group; however, workers are not aware of this system. Workers are only aware of suggestion box and union members. Additionally the factory does not have any procedures to document grievances submitted through whatsapp.
2. Suggestion boxes are placed in the entrance of the building, instead of private places such as locker rooms, toilets, etc.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.25)

Root Causes

1. There is no mechanism to control whether the implementation and written policy and procedures are compliant with each other.
2. Workers are not trained on the current Grievance System and are not well informed about the all ways of grievance systems in the factory.
3. The location of suggestion boxes has not evaluated to ensure anonymity of the workers before.
4. The factory does not communicate the current Grievance System procedures to the workers effectively.
5. Management lacks awareness of the FLA Workplace Code.

FLA's Recommendations for Sustainable Improvements

1. Move the suggestion boxes to private spaces such as locker rooms, toilet to ensure anonymity of the workers. Announce the new location of the suggestion boxes to all workforce.
2. Train all workers on the Grievance System and policy and procedures including other ways of grievances such as e-mail, whatsapp messages etc.
3. Ensure that new workers are trained on the details of current grievance systems in the factory.
4. Ensure that factory procedures are in line with the implementations of the factory.
5. Prepare a training plan for improving the knowledge and skills of the HR staff. This training should, at a minimum, include: Labor law and secondary regulations; Communication skills; Problem solving skills; Best practices on worker representation and grievance systems.
6. Improve the current audit methodology to be more sustainability oriented and root cause based. Improve the current worker representation and Grievance System related issues as to be more effective for the workers.

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. In 2018, facility only conducted two fire drills, while there should be four in a year; one each quarter. Additionally there is no system

iafter evacuation to check all workers were evacuated. [HSE.1, HSE.5]

2. There was no centralized fire alarm system at the factory, however, the fire alarm was being replaced with a centralized fire alarm system during the assessment. [HSE.1, HSE.5]
3. The maintenance materials and some other materials stored outside in front of emergency exits are blocking the evacuation routes. [HSE.5]
4. Evacuation maps in the warehouse and packing sections were up-side down. [HSE.5]
5. The emergency exit sign in the ironing section was faded and impossible to read. [HSE.1, HSE.5]
6. The sign on the floor leading to the emergency exits are faded throughout the factory. [HSE.1, HSE.5]
7. Some of the fire extinguishers in packing section are placed in boxes with covers that prevent quick access in the case of an emergency. [HSE.5]
8. The fire brigade does not have the appropriate equipment to fight fires; including the correct PPE, e.g., breathing apparatus. [HSE.5]
9. There are obstruction in front of the some workstations in the cutting section. Goods are placed on all sides of the sewing tables, which poses a risk in case of emergency. [HSE.5]
10. Some florescent lamps do not have covers and have lot of dust on them. [HSE.5]

Local Law or Code Requirement

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

Root Causes

1. The factory does not have a detailed risk assessment that covers identifying, evaluating, and correcting fire risks.
2. The Health and Safety procedures do not include detailed precautions on fire risks since the risks are not identified before.
3. The factory does not identify fire safety training needs of the workers, especially focusing on obstruction of the exits and evacuation routes, with worker involvement
4. The factory does not make root cause analysis on helath and safety related issues to improve permanent solutions
5. Management lacks awareness of the FLA's Workplace Code and Benchmarks.
6. These issues have never been brought to the attention of factory management during previous external audits.
7. The Health and Safety Committee is not conducting detailed internal audits on a periodic basis focusing on fire safety risks in detailed.

Recommendations for Immediate Action

1. Conduct fire drills four times per year for all workers in accordance with local laws. Ensure that workers are counted after the drills.
2. Provide a centralized fire alarm system to the factory, and regularly check the alarm system.
3. Remove all obstructions from the emergency exits and designate a proper place for maintenance materials.
4. Review all evacuation maps and ensure that they reflect the actual layout of the floors.
5. Replace floor markings and faded emergency exit signs.
6. Ensure that all fire extinguishers are hung on the wall without covers and boxes.
7. Place no-smoking signs within 15 meters (~15ft) of all closed areas.
8. Provide appropriate equipment to fight fires (including the correct PPE, e.g., breathing apparatus) for the fire brigade.
9. Remove the obstructions from workstations in the cutting section.
10. Provide covers for the florescent lambs and ensure that they are free from dust.

FLA's Recommendations for Sustainable Improvements

1. Create a risk assessment focusing on all possible risks in the factory, and use the risk assessment as a guideline for internal checks.

2. Train the Health & Safety Committee members on the topics listed below and start working more actively on Health & Safety-related issues and participating in internal audits: Roles and responsibilities of the committee; Local law and Health & Safety standards; Work accidents and near-miss cases and their root causes; Basics of industrial hygiene; Effective communication skills; Emergency response plans; Occupational diseases; Specific Health & Safety risks in the workplace.

3. Improve the internal audit system to make sure that the factory's actual practices are in line with both local law and the FLA Workplace Code.

4. Implement a mechanism to ensure all Health, Safety & Environment training is effective and observe behavioral changes to ensure training has been implemented.

FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The worker who works with chemicals in spot removing section was only wearing a dust mask. [HSE.1, HSE.7, HSE.9]
2. Dyeing section workers and the workers in the ink mixing section were not wearing masks while working. [HSE.1, HSE.7, HSE.9]
3. One of the cutting operators' steel gloves were not the proper size for the worker. [HSE.7]
4. The factory does not provide anti-fatigue mats for workers, except ironing section workers, to reduce fatigue caused by standing for long periods on a hard surface. [HSE.17]
5. The factory does not provide adjustable chairs for sitting workers and there are no proactive steps to reduce repetitive-motion stress/injuries. [HSE.17]
6. The ground was slippery in the polyester dyeing area, since the polyester dyeing machine is washed after use. There is no drainage in this area for the water. [HSE.14]
7. There is hole outside of the factory, which is not deep, however there is no cover on it and it carries risk of falling. [HSE.1]

Local Law or Code Requirement

Egyptian Labor Law 12/2003, Book 5, Articles 209, 216 and 217 ; FLA Workplace Code (Health, Safety & Environmental Benchmarks HSE.1, HSE.7, HSE.9, HSE.14, and HSE.17)

Root Causes

1. The factory does not have a detailed risk assessment that covers identifying, evaluating, and correcting workplace safety, worker protection and ergonomic issues.
2. Although workers are trained on Personal Protective Equipment (PPE) usage, it seems trainings were no sufficient.
3. The factory does not identify worker protection training needs of the workers.
4. The factory does not make root cause analysis on helath and safety related issues to improve permanent solutions.
5. Management lacks awareness of the FLA's Workplace Code and Benchmarks.
6. These issues have never been brought to the attention of factory management during previous external audits.
7. The Health and Safety Committee is not conducting detailed internal audits on a periodic basis focusing on workplace safety, worker protection and ergonomic issues in detail.

Recommendations for Immediate Action

1. Provide proper and correctly sized PPE to all workers and ensure that PPE are used by the workers.
2. Provide anti-fatigue mats for all standing workers

3. Provide adjustable chairs for all sitting workers and take proactive steps to reduce repetitive-motion stress/injuries.
4. Ensure that the ground is immediately cleaned and dried after washing process the polyester machine, and put sign out while the ground is wet .
5. Cover the hole outside of the factory building.

FLA's Recommendations for Sustainable Improvements

1. Periodically train the workers and supervisors on proper use of PPE and workplace risks.
2. Establish a ergonomic safety program and include in factory policy and procedures.
3. Communicate updated Health and Safety policy and procedures to the entire workforce.
4. Create a risk assessment focusing on all possible risks in the factory, and use the risk assessment as a guideline for internal checks.
5. Train the Health & Safety Committee members on the topics listed below and start working more actively on Health & Safety-related issues and participating in internal audits: Roles and responsibilities of the committee; Local law and Health & Safety standards; Work accidents and near-miss cases and their root causes; Basics of industrial hygiene; Effective communication skills; Emergency response plans; Occupational diseases; Specific Health & Safety risks in the workplace.
6. Improve the internal audit system to make sure that the factory's actual practices are in line with both local law and the FLA Workplace Code.
7. Implement a mechanism to ensure all Health, Safety & Environment training is effective and observe behavioral changes to ensure training has been implemented.

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Traffic lanes and walking paths are not clearly marked. HSE.13
2. Approximately ten percent of the sewing machines do not have protective finger and eye covers. HSE.14 HSE.1
3. Approximately twenty percent of sewing machine guards are not in use and have been moved by the workers. HSE.14 HSE.1
4. The grinding machines do not have protective eye covers. HSE.14 HSE.1
5. Safety instructions are not posted near the machines. HSE.14

Local Law or Code Requirement

Egyptian Labor Law 12/2003, Book 5, Articles 209; FLA Workplace Code (Health, Safety & Environmental Benchmarks HSE.1, HSE.13 and HSE.14)

Root Causes

1. The factory does not have a detailed risk assessment that covers identifying, evaluating, and correcting machine and traffic safety.
2. Although workers are trained on machine guards it seems trainings were not effective
3. The factory does not identify worker protection training needs of the workers.
4. The factory does not make root cause analysis on health and safety related issues to improve permanent solutions
5. Health and safety procedures do not include information on traffic lanes.
6. Management lacks awareness of the FLA's Workplace Code and Benchmarks.

7. These issues have never been brought to the attention of factory management during previous external audits.
8. The Health and Safety Committee is not conducting detailed internal audits on a periodic basis focusing on workplace safety, worker protection and ergonomic issues in detail.

Recommendations for Immediate Action

1. Mark traffic lanes and walking paths on the roads.
2. Provide machine guards on all sewing machines according to their manual, and ensure that workers do not move them.
3. Install a machine guard for the grinding machine
4. Post safety instructions near all machinery in the factory.

FLA's Recommendations for Sustainable Improvements

1. Periodically train the workers and supervisors on using of machine guards.
2. Update the Health and Safety procedures with traffic safety in the factory and communicate updated Health and Safety policy and procedures to the entire workforce.
3. Create a risk assessment focusing on all possible risks in the factory, and use the risk assessment as a guideline for internal checks.
4. Train the Health & Safety Committee members on the topics listed below and start working more actively on Health & Safety-related issues and participating in internal audits: Roles and responsibilities of the committee; Local law and Health & Safety standards; Work accidents and near-miss cases and their root causes; Basics of industrial hygiene; Effective communication skills; Emergency response plans; Occupational diseases; Specific Health & Safety risks in the workplace.
5. Improve the internal audit system to make sure that the factory's actual practices are in line with both local law and the FLA Workplace Code.
6. Implement a mechanism to ensure all Health, Safety & Environment training is effective and observe behavioral changes to ensure training has been implemented.

FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The Material Safety Data Sheets (MSDS) for two chemicals' (Securon and Setalan) are not posted in chemical storage area. Management keeps the MSDS of these chemicals in the office. Additionally the forms for these two chemicals are in English not in local language of the workers. [HSE.10, HSE.1]
2. MSDS forms are only posted in chemical storage area. There are no MSDS in the dyeing and ink mixing sections, where the chemicals are used. [HSE.10, HSE.1]
3. The chemicals used in the dyeing section are taken from the chemical storage area with small buckets. These buckets do not have lids, and are not labeled [HSE.1, HSE.9]
4. There were chemical barrels near the polyester dyeing machine without secondary containment. There were no MSDS for those chemicals. [HSE.1, HSE.10]
5. Some chemical barrels are stored inside the boiler room near the boiler. [HSE.1, HSE.9]

Local Law or Code Requirement

Egyptian Labor Law 12/2003, Book 5, Article 211; FLA Workplace Code (Health, Safety, & Environmental Benchmarks HSE.1, HSE.9. and HSE.10)

Root Causes

1. The factory does not have a detailed risk assessment that covers identifying, evaluating, and correcting chemical safety
2. The factory does not make root cause analysis on health and safety related issues to improve permanent solutions

3. Related personnel responsible from chemical safety is not in frequent communication with social compliance team and health and safety technicians
4. Chemical inventory and MSDS forms are not reviewed periodically.
5. Management lacks awareness of the FLA's Workplace Code and Benchmarks.
6. These issues have never been brought to the attention of factory management during previous external audits.
7. The Health and Safety Committee is not conducting detailed internal audits on a periodic basis focusing on chemical safety

Recommendations for Immediate Action

1. Provide MSDS forms for all chemicals in the factory.
2. Ensure that all MSDS forms are in the workers spoken language, and that they are posted in every area where chemicals used.
3. Label all chemicals used in the factory.
4. Provide secondary containment for all chemicals in the factory.
5. Remove the chemical barrels near the boiler.

FLA's Recommendations for Sustainable Improvements

1. Periodically train the related workers and supervisors on chemical safety.
2. Regularly check and update the chemical inventory and MSDS forms according to the usage of chemicals in the factory.
3. Ensure that health and safety, social compliance and personnel responsible from chemicals are in communication all the time on chemical management and risks.
4. Create risk assessment focusing on every existed and possible risks in the factory, and use the risk assessment as a guideline for internal checks.
5. Improve the internal audit system to make sure that the factory's actual practices are in line with both local law and the FLA Workplace Code.
6. Implement a mechanism to ensure all Health, Safety & Environment training is effective and observe behavioral changes to ensure training has been implemented.

FINDING NO.15

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Two technicians in the H&S Committee don't have the required certification from the Higher Institute of Industrial Safety. [HSE.4, HSE.14.2]
2. The factory keeps records for workplace injuries, however, there is no root cause analysis or remediation to prevent future injuries. For instance, one workers slipped and fell in the polyester dyeing section due to a slippery floor. There is no investigation or corrective action record regarding this accident. Moreover the mentioned area was slippery during the assessment. HSE.3 HSE.13
3. The rest area and lockers are placed in an open area without shelter, which is makes them difficult to use in cold weather. HSE.19

Local Law or Code Requirement

Egyptian Labor Law no. 12 of 2003 Article 227, FLA Workplace Code (Health, Safety & Environmental Benchmarks HSE.3, HSE.4, HSE.13, HSE.14.2 and HSE.19)

Root Causes

1. The factory does not have a detailed risk assessment that covers identifying, evaluating, and correcting facilities safety, legally required documents and workplace accidents.
2. The factory does not have enough closed space for rest area and locker rooms, however, the process has started to construct new facilities for the workers.

3. The factory does not do root cause analysis on health and safety related issues to improve permanent solutions
4. Management lacks awareness of the FLA's Workplace Code and Benchmarks.
5. These issues have never been brought to the attention of factory management during other external audits.
6. The Health and Safety Committee is not conducting detailed internal audits on a periodic basis focusing on workplace accidents, facilities safety and legally required certificates.

Recommendations for Immediate Action

1. Obtain certificates for the technicians in the Health and Safety Committee.
2. Ensure that appropriate actions are taken for the workplace accidents and root cause analysis is done to prevent future accidents.
3. Provide a closed area for the rest areas and locker rooms.

FLA's Recommendations for Sustainable Improvements

1. Train the social compliance team importance of root cause analysis of the workplace accidents.
2. Establish a system for workplace accidents that includes root cause analysis, immediate actions requirements and sustainable improvement requirements to create sustainable improvements on the risks and document all the investigations.
3. Periodically review the legally required certificates and their update needs.
4. Create a risk assessment focusing on every existed and possible risk in the factory, and use the risk assessment as a guideline for internal checks.
5. Train the Health & Safety Committee members on the topics listed below and start working more actively on Health & Safety-related issues and participating in internal audits: Roles and responsibilities of the committee; Local law and Health & Safety standards; Work accidents and near-miss cases and their root causes; Basics of industrial hygiene; Effective communication skills; Emergency response plans; Occupational diseases; Specific Health & Safety risks in the workplace.
6. Improve an internal audit system to make sure that the factory's actual practices are in line with both local law and the FLA Workplace Code.
7. Implement a mechanism to ensure all Health, Safety & Environment training is effective and observe behavioral changes to ensure training has been implemented.

FINDING NO.16

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. There is no spill kit in the chemical storage area. [HSE.9]
2. The factory segregates its hazardous and non-hazardous waste, however there are no protected areas for these waste streams. Empty chemical barrels are placed on the road near the factory building, and are collected everyday by the authorized company. Fabric, paper and plastic waste are stored in an open area near the building. There are no labels for the hazardous or non-hazardous waste, since there is not a closed area designated for the waste collection areas. [HSE.1, HSE.9]

Local Law or Code Requirement

Egyptian Labor Law 12/2003, Book 5, Article 211/C and E, FLA Workplace Code (Health, Safety & Environmental Benchmark HSE.1 and HSE.9)

Root Causes

1. The factory does not have a detailed risk assessment that covers identifying, evaluating, and correcting environmental protection
2. The factory does not make root cause analysis on health and safety related issues to improve permanent solutions
3. The factory does not have detailed procedures on environmental protection.

4. The factory needs rearrangement to designate protected and designated areas for each waste collection area
5. Management lacks awareness of the FLA's Workplace Code and Benchmarks.
6. These issues have never been brought to the attention of factory management during previous external audits.
7. The Health and Safety Committee is not conducting detailed internal audits on a periodic basis focusing on environmental protection

Recommendations for Immediate Action

1. Provide proper spill kits in the chemical storage area.
2. Designate a protected area for each waste type.
3. Label the waste collection areas.

FLA's Recommendations for Sustainable Improvements

1. Periodically train the related workers and supervisors on environmental protection
3. Update environmental protection procedures according to FLA requirements and communicate to all workforce
4. Create risk assessment focusing on all possible risks in the factory, and use the risk assessment as a guideline for internal checks.
5. Improve the internal audit system to make sure that the factory's actual practices are in line with both local law and the FLA Workplace Code.
6. Implement a mechanism to ensure all Health, Safety & Environment training is effective and observe behavioral changes to ensure training has been implemented.