



COMPANIES: MV Sport - The Game Inc.

COUNTRY: Pakistan

ASSESSMENT DATE: 12/21/17

ASSESSOR: Innovatus

PRODUCTS: Apparel

NUMBER OF WORKERS: 120

FLA Comments

This report was submitted to the FLA and the FLA affiliated company by the assessor. Despite deadline reminders and extensions for submission of a corrective action plan, the FLA has not received a plan to address the risks and noncompliances raised in the report. Therefore, the report is posted in its current state and will be updated once a corrective action plan has been submitted to by the FLA.

Summary of Code Violations

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

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

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

1. The factory does not have any written policy and/or procedure on:

Industrial Relations:

-The factory has a policy on Freedom of Association but not Industrial Relations. There is no procedure to manage Industrial Relations and Freedom of Association in the facility.

-Personnel development: including performance reviews that includes steps and processes, demonstrating linkages to job grading, non-discrimination, written feedback, and compliance with legal requirements and a requirement to provide workers with written outcomes of promotion, demotion and reassignment.

-There is no procedure for managing Termination and Retrenchment

-There is no procedure for regulating Workplace Conduct and Disciplinary measures. [ER.1, ER.16, ER.25, ER.27, ER.28, ER.29]

2. The factory has a policy and procedure on Grievance Mechanisms. However, they need to be updated and more details are to be provided to cover all aspects. [ER.2, ER.32]

3. The factory has a policy on Recruitment and Hiring but there are no specific details regarding hiring of workers with disabilities or language on no discrimination. [ND.1, ND.2]

4. The factory has a policy on Health & Safety and Environment, however, it does not have any procedures to enable workers to raise environmental concerns, report environmental emergencies or protection against retaliation for workers who raise health & safety, environmental violations. [ER.16, ER.31, HSE.1]

5. Health and Safety procedure does not provide details and/or steps on safe evacuation of visitors and service providers. [HSE.1]

6. There is no guidance documents for external contractors or service providers concerning Health and Safety. [HSE.1]

7. Emergency response procedure does not provide contact information of external authorities to call or inform in case of a fire and phone numbers for emergency medical assistance. [HSE.5]

8. The factory does not have an effective internal audit system in place. Its internal system is focused on just basic compliance. [ER.1]

9. The factory management does not know much about FLA benchmark requirements, as they have not received specific training on the FLA Code and Benchmarks. [ER.1]

10. There is no dedicated HR department in the facility. [ER.1]

Local Law or Code Requirement

S 8 The Sindh Differently Able Persons (Employment, Rehabilitation And Welfare) Act, 2014; FLA Code and Benchmarks (Employment Relationship Benchmarks ER.1, ER.2, ER.16, ER.25, ER.27, ER.28, ER.29, ER.31 and ER.32; Non-Discrimination Benchmark ND.1 and ND.2; Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.5)

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory does not train its Human Resource staff on their roles and responsibilities. There is no process in place to help employees on-board to the HR department. 80% of the knowledge is gained through learning on the job. [ER.1, ER.17, ER.27, ER.28, ER.29, ER.30]
2. The factory does not provide specific training to the relevant supervisors on Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, or Workplace Conduct and Discipline. Some information on Recruitment, Hiring & Personnel Development is provided at the time of hiring. Information is posted on notice boards and general information on workplace conduct is verbally provided during induction. [ER.17, ER.27]
3. The factory does not provide any training to workers on Industrial Relations, Termination & Retrenchment, Environmental Protection and the Grievance System. [ER.1, ER.17, ER.25]
4. The factory does not provide specific or on-going training to workers on employment functions except a quick orientation on Compensation and Hours of Work when hiring. [ER.1, ER.15, ER.16, ER.17]
5. Workers with maintenance responsibilities do not receive specific training on maintenance safety. The general Health & Safety training provided to workers does not cover ergonomics or electrical safety. [ER.17, HSE.14]
6. Factory has number of committees but there is no training provided to help them execute their responsibilities such as Health and Safety committee, Joint Worker Council. [ER.1, ER.17]
7. There is no printed employee handbook. [ER.15]
8. There is no proper orientation training. Workers do not receive a copy of workplace rules or employee handbook during orientation. Information is posted at the entrance of the factory building only. [ER.15, ER.16, ER.25, ER.26]

Local Law or Code Requirement

FLA Code and Benchmarks (Employment Relationship Benchmarks ER.1, ER. 15; ER.16, ER.17, ER.25, ER.27, ER.28, ER.29, ER.30; Health, Safety & Environment Benchmark HSE.14)

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory has not defined a review process or period for written policies and procedures on any Employment Function. Although policies have been created and some updated to include minimum law revisions, however, none have been reviewed since their creation. [ER.1, ER.29, ER.30]
2. Senior management of the factory has not signed on all the policies. [ER.1, ER.31]

Local Law or Code Requirement

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

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

1. The facility has not developed job descriptions for all the job functions. Job descriptions for only three managerial functions were available. ER.1

The management does not clearly identify the person with ultimate responsibility/accountability within the factory especially in areas of Termination & Retrenchment, Workplace Conduct and Discipline, Grievance, Industrial Relations, and Environment. [ER.1]

Local Law or Code Requirement

FLA Code and Benchmarks (Employment Relationship Benchmark ER.1)

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The factory does not communicate all legal updates to employees except for minimum wage increases, when applicable. Updates on benefits including leaves, life insurance, and social security have not been communicated to workers using any channel of communication. [ER.1, ER.16, ER.25, ER.29, ER.30]

Local Law or Code Requirement

FLA Code and Benchmarks (Workplace Relationship Benchmarks ER.1, ER.16, ER.25, ER.29, and ER.30)

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. During the hiring process, the job application form has a question on marital status and religion of the applicant. Additionally, the application does not ask for any details on qualifications, training experience, or demonstrated skills and/or abilities. There are no skill assessments conducted at the hiring stage. [ND.2, ER.1, ER.3.1]

2. There are no disabled workers in the facility. Number of disabled workers needs to be in line with local law requirement of 2% of total workforce. Alternatively, a financial contribution can be paid if this quota is not reached, the factory currently does not pay this contribution. [ER.1, ER.3]

3. The employment contracts lack details on benefits such as gratuity, bonus, and leaves. [ER.16]

4. The factory administration and HR team do not follow the written policy and procedures as the factory hires workers before completing the documentation for recruitment, for example, they fill in the application form after the worker is hired. [ER.1, ER.2, ER.3]

Local Law or Code Requirement

The Sindh Differently Able Persons (Employment, Rehabilitation And Welfare) Act, 2014 The Industrial & Commercial Employment (Standing Orders) Ordinance, 1968; FLA Code and Benchmarks (Employment Relationship Benchmarks ER.1, ER.2, ER.3, ER.16; Non-Discrimination Benchmark ND.2)

Recommendations for Immediate Action

1. Remove inappropriate fields from the job application forms.
2. Hire more disabled workers as legally required.
3. Update employment contract to include all the details on benefits.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The question regarding marital status has been removed from the hiring application.

Company Action Plan Update

The question regarding marital status has been removed from the hiring application.

The non-compliances in this section have been remediated.

Action Plan no 2.

Description

1. Question about marital status on job application and religion must be removed.

Application to be amended to add details on qualifications of applicant.

2. Facility to commit to hiring disabled workers.

3. Employment contracts to add details on benefits such as bonus and leaves.

Company Action Plan Update

Question of marital and religious status removed from application

Facility committed to hiring disabled workers

Employment contract details added

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. Disproportionate and illegal deduction on account of late attendance from wages of two workers found for September, October, and November 2017. [H/A.2, C.11]

Local Law or Code Requirement

The Sindh Payment of Wages Act, 2015; FLA Code and Benchmark (H/A.2; Compensation Benchmark C.11)

Recommendations for Immediate Action

1. Facility should follow its policy and procedure for deductions proportionately.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory has revised it's "FLA Internal Policy" regarding late attendance. Workers, per the revised policy, are granted a 15-minute grace period from 9:00 to 9:15. Workers arriving beyond the grace period will be penalized proportionally by factory for the whole or any part of the period during which s/he is required to work.

Company Action Plan Update

Factory has revised it's "FLA Internal Policy" regarding late attendance. Workers, per the revised policy, are granted a 15-minute grace period from 9:00 to 9:15. Workers arriving beyond the grace period will be penalized proportionally by factory for the whole or any part of the period during which s/he is required to work.

FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. Worker representatives to the Worker Council are elected through hand raising instead of using a secret ballot, as per legal guidelines. [ER.1]
2. Worker representative do not meet regularly with management, they only meet biannually. [ER.25]
3. The composition of joint work council should be in line with legal requirements. Currently, only six members listed are worker's representatives. There should be an equal amount of management representatives. [ER.1]
4. Joint Worker Council meetings are organized on the production floor. These meetings are conducted like awareness sessions with all workers, rather than a forum for management-worker dialogue. These are only conducted biannually. [FOA.15]
5. Out of all the workers interviewed, none of them were aware of the function of the Worker Council in factory. [FOA.15]
6. Worker Council members and Health and Safety committee members are not aware of their function. They are not involved in decision-making. [HSE.5]

Local Law or Code Requirement

Sindh Industrial Relations Act 2013; FLA Code and Benchmark (Freedom of Association Benchmark FOA.15; Employment Relationship Benchmarks ER.1, ER.25; Health & Safety Benchmark HSE.5)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The work council needs to address each of the findings above and ensure worker integration into the process.

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. There is no record of any disciplinary actions taken. [ER.2, ER.27]

Local Law or Code Requirement

FLA Code and Benchmarks (Employment Relationship Benchmarks ER.2 and ER.27)

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The management has installed complaint boxes throughout the factory. Record of only few complaints received was available. However, record of actions taken and follow up was not kept appropriately. [ER.1, ER.2, ER.27]

2. Joint Work Council Members were not included in handling complaints. [ER.25]

3. Actions taken on complaints are also not posted on notice boards. [ER.1, ER.16, ER.25]

COMPANY ACTION PLANS

Action Plan no 1.

Description

Each of the above findings must be remediated

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. Waste management is not organized. A) There are no designated places separating hazardous and non-hazardous waste. B) There is no contract with any approved service provider to handle non-hazardous waste. [ER.1, ER.31, HSE.1, HSE.5, HSE.19]

2. Facility has not prepared an environmental management plan. The Initial Environmental Examination (IEE) has not been conducted by the Environmental Protection Agency (EPA) yet. [HSE.2, HSE.4]

Local Law or Code Requirement

The Sindh Factories Act 2015, Section 14; The Sindh Environmental Protection Act, 2014 FLA Code and Benchmarks (Health, Safety & Environment Benchmark HSE.1, HSE.2, HSE.4, HSE.5; Employment Relationship ER.1, ER.31)

Recommendations for Immediate Action

1. Prepare a waste management plan and ensure that solid waste is managed properly.

2. Designate separate locations for hazardous and non-hazardous waste.

3. Prepare Environmental Management Plan.

4. Prepare a waste management plan to ensure that solid waste is managed properly. Engage with a service provider for handling and disposal of waste.

5. Follow up with the Environment Protection Agency (EPA) and obtain the relevant approvals.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. There is no contract with any approved service provider to handle non-hazardous waste. Prepare a waste management plan to ensure that solid waste is managed properly. Engage with a service provider for handling and disposal of waste. 2. Facility has not prepared environmental management plan. The Initial Environmental Examination (IEE) has not been conducted by Environmental Protection Agency (EPA) yet. Follow up with the EPA and schedule an IEE.

Company Action Plan Update

1. Factory has contacted a waste removal agency who provided a quote. 2. Factory has submitted an application to the EPA requesting services to establish an environmental management plan.

Action Plan no 2.

Description

Waste management areas need to be identified. Hazardous and non-hazardous waste must be separated. Facility must have a contract with an approved service provider to handle hazardous/non-hazardous waste.

Facility must prepare an environmental management plan.

Company Action Plan Update

Facility has a contract with a service provider to handle hazardous, non hazardous waste.

Facility prepared an environmental management plan and is consulting with a local advisor.

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Facility is conducting fire drills bi-annually. However, fire drill record lacks details on headcount/attendance. [HSE.1, ER.1, ER.2, ER.17]
2. There are no SOPs for jobs specifically focusing on performing those jobs safely. [ER.31, HSE.14, HSE.17]

Local Law or Code Requirement

The Sindh Factories Act 2015; FLA Code and Benchmarks (Health, Safety & Environment Benchmark HSE.1, HSE.14, HSE.17; Employment Relationship ER.2, ER.31)

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Fire alarms are not centrally controlled. [HSE.5]
2. In knitting section, flash alarm is not provided. [HSE.5]
3. Facility lacks properly trained personnel for fire safety. [HSE.5, HSE.14, ER.1, ER.17]
4. Evacuation plans are not current in stitching, knitting and ground floor. [HSE.5]
5. Emergency lights in knitting and cutting did not turn on when electrical power was shut off. [HSE.5]
6. Electrical panels in knitting and stitching found without ebony sheets. Also, too much fluff found accumulated. [HSE.13]
7. Loose electrical wires found at various places in the facility. [HSE.13, HSE.14]
8. There is no fire hydrant in the facility for firefighting. [HSE.6]
9. Workers found smoking outside production hall. Empty cigarette packets and buds found in washrooms. [HSE.1]
10. There is one LPG cylinder in the facility for emergency use at steam generator. It was not secured to avoid accidental falling. [HSE.14]
11. There is one drinking water station (with two taps) in the whole facility, which is located on ground floor. [HSE.1]
12. Flush system is out of order in workers' washrooms. [HSE.19]
13. Compressor, steam generator, and generators are not maintained properly. There is no record of regular maintenance. [ER.2]
14. Cargo lift doors are not locked. These can be opened when lift cage is not there. Keep cargo lifts locked when not in operation. [HSE.14]
15. Cargo lift inspection is done annually instead of bi-annually. Also, inspection report lack details. [HSE.14]
16. Needle guards found missing at 80% of stitching machines. [HSE.14]

Local Law or Code Requirement

The Fire Safety Provisions, 2016 of the Building Code of Pakistan; The Sindh Factories Act, 2015; FLA Workplace Code (Health, Safety and Environment Benchmark HSE.1, HSE.5, HSE.6, HSE.13, HSE.14, HSE.15, HSE.19; Employment Relationship ER.1, ER.2, ER.17)

Recommendations for Immediate Action

1. Fire alarm needs to be centralized.
2. Provide flash alarm in the knitting section.
3. Provide training to staff on immediate basis.
4. Update all evacuation plans.
5. Ensure that all emergency lights are operational.
6. Provide ebony sheets for electric panels and ensure cleanliness.
7. Ensure that all electric wiring is secured.
8. Provide fire hydrant on immediate basis.
9. Ensure no smoking policy in factory premises.
10. Secure all LPG cylinders to avoid accidents.
11. Provide more drinking water station in the whole facility.
12. Ensure clean toilets in the facility. Cleaning in general needs to be improved in the facility.
13. Proper maintenance needs to be ensured for compressor, steam generator and generators. Ensure proper maintenance of all equipment and keep relevant records.

14. Provide proper locks for cargo lifts. Revise its inspection schedule and maintain detailed record.

15. Install needle guards on stitching machines where missing.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Loose electrical wires found at various places in the facility. Ensure that all electric wiring is secured. 2. Workers found smoking outside production hall. Empty cigarette packets and buds found in washrooms. 3. Compressor, steam generator, and generators are not maintained properly. There is no record of regular maintenance. 4. Flush system is out of order in workers' washrooms. 5. Evacuation plans are developed and posted in stitching, knitting, and ground floor. 6. Emergency lights in these 2 areas are now functional. 7. Personnel have been trained for fire safety. 8. Fire Alarms and smoke detectors are now centrally controlled. 9. Electrical Panels are now covered. 10. Cargo Lift doors are now lockable. Inspection reports available indicating biannual inspections.

Company Action Plan Update

1. All loose wires were addressed. 2. Factory developed a no smoking policy and posted it and a No Smoking pictogram within the production area. 3. Maintenance logs are now being maintained. 4. Flush system has been addressed. 5. See supporting documents for photos of evacuation plans. 6. Please reference photo evidence of existing emergency lights. 7. Please see photos of personnel being trained. 8. Please reference attached document for alarm photos. 9. Please reference photo evidence in supporting documents 10. Please reference photos in supporting documents.

Action Plan no 2.

Description

1. Fire alarms must be centrally controlled. [HSE.5]
2. In knitting section, flash alarm to be provided. [HSE.5]
3. Facility to train personnel for fire safety. [HSE.5, HSE.14, ER.1, ER.17]
4. Evacuation plans to be current and posted in stitching, knitting and ground floor. [HSE.5]
5. Emergency lights in knitting and cutting to be tested on a monthly basis to ensure proper functioning when electrical power is shut off. [HSE.5]
6. Electrical panels in knitting and stitching to have ebony sheets to cover any open ports and area to be free of lint [HSE.13]
7. There can be no loose electrical wires found anywhere in the facility. [HSE.13, HSE.14]
8. There is no fire hydrant in the facility for firefighting. [HSE.6]
9. Workers found smoking outside production hall. Empty cigarette packets and buds found in washrooms. [HSE.1]
10. There is one LPG cylinder in the facility for emergency use at steam generator. It was not secured to avoid accidental falling. [HSE.14]
11. There is one drinking water station (with two taps) in the whole facility, which is located on ground floor. [HSE.1]
12. Flush system is out of order in workers' washrooms. [HSE.19]
13. Compressor, steam generator, and generators are not maintained properly. There is no record of regular maintenance. [ER.2]
14. Cargo lift doors are not locked. These can be opened when lift cage is not there. Keep cargo lifts locked when not in operation. [HSE.14]
15. Cargo lift inspection is done annually instead of bi-annually. Also, inspection report lack details. [HSE.14]

16. Needle guards found missing at 80% of stitching machines. [HSE.14]

Action Plan no 3.

Description

1. Fire alarms to be centrally controlled. [HSE.5]
2. In knitting section, flash alarm to be provided. [HSE.5]
3. Facility to properly train personnel for fire safety. [HSE.5, HSE.14, ER.1, ER.17]
4. Evacuation plans are not current in stitching, knitting and ground floor. [HSE.5]
5. Emergency lights in knitting and cutting did not turn on when electrical power was shut off. [HSE.5]
6. Electrical panels in knitting and stitching found without ebony sheets. Also, too much fluff found accumulated. [HSE.13]
7. Loose electrical wires found at various places in the facility. [HSE.13, HSE.14]
8. There is no fire hydrant in the facility for firefighting. [HSE.6]
9. Workers found smoking outside production hall. Empty cigarette packets and buds found in washrooms. [HSE.1]
10. There is one LPG cylinder in the facility for emergency use at steam generator. It was not secured to avoid accidental falling. [HSE.14]
11. There is one drinking water station (with two taps) in the whole facility, which is located on ground floor. [HSE.1]
12. Flush system is out of order in workers' washrooms. [HSE.19]
13. Compressor, steam generator, and generators are not maintained properly. There is no record of regular maintenance. [ER.2]
14. Cargo lift doors are not locked. These can be opened when lift cage is not there. Keep cargo lifts locked when not in operation. [HSE.14]
15. Cargo lift inspection is done annually instead of bi-annually. Also, inspection report lack details. [HSE.14]
16. Needle guards found missing at 80% of stitching machines. [HSE.14]

Action Plan no 4.

Description

Needle guards