



COMPANY: **Lakeshirts, Inc., Dallas Cowboys Merchandising, Ltd.**
COUNTRY: **Pakistan**
ASSESSMENT DATE: **12/03/14**
MONITOR: **T Group Solutions Pvt Ltd**
PRODUCTS: **Apparel**
PROCESSES: **Cut, Sew, Embroidery, Screen Printing/Printing, Packing**
NUMBER OF WORKERS: **240**
NUMBER OF WORKERS INTERVIEWED:
ASSESSMENT NUMBER: **AA0000000502**

FLA Comments

Lakeshirts ceased sourcing from this supplier at the end of 2014, for quality reasons. Lakeshirts only constituted a small percentage of the production at this factory, and the company's exit will not cause any retrenchment. Lakeshirts left the factory before the creation of a remediation plan, therefore no remediation plan will appear on the report.

What's Included in this Report

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Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

Glossary

De minimis: A de minimis factory is a factory (1) with which the Company contracts for production for six months or less in any 24-month period; or (2) in which the Company accounts for 10% or less of the annual production of such facility. The FLA Charter states that in no event shall de minimis facilities constitute more than 15% of the total of all facilities of a Company, and the list of facilities designated as de minimis by a Company is subject to the approval of the FLA. Please note that collegiate-producing factories cannot count as de minimis.

Facility performance: how a facility rates in terms of a particular employment or management function, with 100% being the best possible score.

Fair labor standards: the minimum requirement for how workers should be treated in a workplace, as outlined in the [FLA Workplace Code of Conduct](#).

Employment life cycle: all aspects of an employee's relationship with the employer, from date of hire to termination or end of employment.

Code violation: failure to meet standards outlined in the FLA Workplace Code of Conduct in the workplace implementation of employment or management functions.

Employment Functions: The different components of the relationship between management and employees in a factory. An employment function is a process regulating an aspect of the employment relationship, such as the recruitment of workers. All employment functions together constitute the employment relationship between an employer and an employee.

1. Recruitment, Hiring & Personnel Development (e.g., performance reviews)
2. Compensation (e.g., wages, health care)
3. Hours of Work (e.g., overtime, documentation of working hours)
4. Industrial Relations (e.g., collective bargaining agreements)
5. Grievance System (e.g., worker communication with management)
6. Workplace Conduct & Discipline (e.g., discrimination, harassment)
7. Termination & Worker Retrenchment (e.g., downsizing, resignation)
8. Health & Safety (e.g., exposure to chemicals)
9. Environmental Protection (e.g., energy saving)

Management functions: violations or risks related to an employment function could be caused by the absence – or a problem in the operation – of any one of the management functions or in more than one.

1. Policy
2. Procedure
3. Responsibility & Accountability
4. Review Process
5. Training
6. Implementation
7. Communication & Worker Involvement
8. Support & Resources (only for the in-depth level)

Finding: indicators of potential gaps between desired and actual performance of the workplace on different employment functions.

Finding type

- **Immediate action required:** discoveries or findings at the workplace that need immediate action because they not only constitute

an imminent danger, risk the workers' basic rights, threaten their safety and well-being or pose a clear hazard to the environment, but also are clear non-compliances with the FLA Workplace Code of Conduct and local laws. Examples include a finding by the assessor that crucial fire safety elements are not in place or that there is underpayment of wages and/or worker entitlements or that there is direct discharge of waste water, etc.

- *Sustainable improvement required*: findings that require sustainable and systematic actions. The factory will be asked to tackle the underlying root causes and to do so in a long-term and systematic manner to bridge the gap between actual and desired performance. Examples include a finding by the assessor that there is lack of termination policies and procedures in the workplace, lack of grievance system, etc.
- *Notable feature*: indicates a remarkable feature or best practice at a workplace. Examples might include workers' wages and benefits that are significantly above the industry average, or community benefits such as free daycare.

Local law or Code Requirement: applicable regulations and standards in a workplace, which serve as the basis for an assessment, as per local law or FLA Workplace Code of Conduct. When these two do not concur, the stricter of the two standards applies.

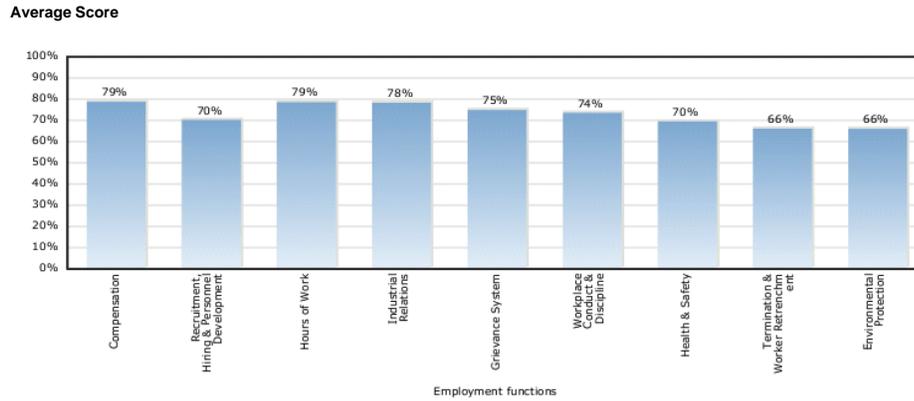
Root causes: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that the worker did not use the hearing protection equipment because such equipment was not provided by management. However, upon a more thorough evaluation of available information, the assessor might find that the worker was indeed supplied with hearing protection equipment and with written information about the importance of wearing hearing protection, but was not trained on how to use the equipment and that use of the equipment was not enforced in a consistent manner by management.

Company action plan: a detailed set of activities outlined by the sourcing company and/or direct employer to address FLA findings.

Factory Profile

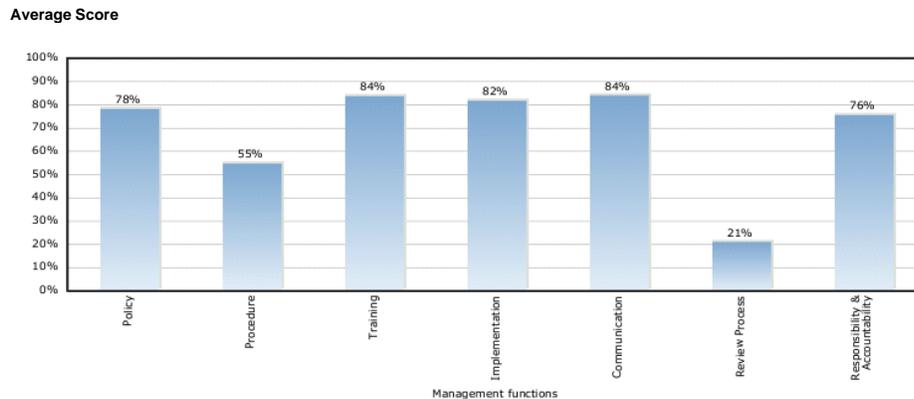
Score by Employment Function

Scores indicate a factory's performance related to a specific employment function based on an FLA assessment. A score of 100 percent indicates flawless operation of an employment function. A score of less than 100 percent indicates need for improvement.



Score by Management Function

Scores indicate a factory's performance related to a specific management function based on an assessment conducted for FLA by independent, accredited assessors. A score of 100 percent indicates flawless operation of a management function. A score of less than 100 percent indicates need for improvement.



Score Summary

Scores indicate the strength of management functions as they relate to different elements of the employment relationship (employment functions). For example (reading left to right), a score of 100 percent in the cell on the top left corner would indicate the existence of appropriate policies related to recruitment, hiring and personnel development.

Management Functions	Recruitment, Hiring & Personnel Development	Compensation	Hours of Work	Industrial Relations	Grievance System	Workplace Conduct & Discipline	Termination & Worker Retrenchment	Health & Safety	Environmental Protection
Policy	33.4%	75%	75%	33.5%	75%	37.5%	62.5%	66.67%	75%
Procedure	64.63%	100%	100%	100%	100%	50%	75%	28.57%	60%
Responsibility & Accountability	77.83%	91.75%	77.83%	89%	91.75%	91.75%	91.75%	89%	89%
Review Process	0%	0%	0%	50%	0%	0%	0%	66.67%	33.33%
Training	75%	100%	100%	50%	50%	100%	33.33%	93.33%	100%
Implementation	77.33%	83.09%	81.62%	100%	100%	92.86%	88.89%	79.1%	58.13%
Communication	66.67%	100%	100%	100%	100%	83.33%	33.33%	100%	100%

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	Violations
Compensation	1	General Compliance Compensation
Employment Relationship	14	General/Human Resource Management Systems Terms and Conditions/Contract, Contingent or Temporary Workers Terms and Conditions/New Employee Orientation Terms and Conditions/Communication Terms and Conditions/Supervisor Training Administration of Fringe Benefits/Holidays, Leave, Legal Social Benefits and Bonuses Work Rules and Discipline Skills Development/Management of Performance Reviews Skills Development/Promotion, Demotion and Job Reassignment Health, Safety, and Environmental Management System/Policies and Procedures Termination and Retrenchment/General Policies and Procedures Recruitment and Hiring/Employers Agreement with Employment Agencies Recruitment and Hiring/Conditions of Hiring Contract or Temporary Workers Recruitment and Hiring/Invalid Use of Contract, Contingent or Temporary Workers
Harassment and Abuse	1	Security Practices/Body Searches
Hours of Work	5	Annual Leave Annual Leave/Wage Payments Sick Leave Calculation of Absences
Health, Safety and Environment	11	Protected Workers (Women and Young Workers)/Record Keeping General Compliance Health, Safety, and Environment Protection Reproductive Health Machinery Safety, Maintenance and Workers Training Ergonomics Sanitation in Workplace Facilities Document Maintenance/Workers Accessibility and Awareness Food Preparation Drinking Water Notification and Record Maintenance Safety Equipment and First Aid Training Chemical Management and Training
Non-Discrimination	1	Protection and Accommodation of Pregnant Workers and New Mothers

Findings and Action Plans

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory has temporary workers in the fabric and thread cutting departments who have been working there for more than two years, since October 2012. However, their employment contracts showed that they were hired as temporary workers for nine months. As per local law, employment in fabric cutting and thread cutting processes are permanent jobs, and cannot be held by temporary workers.
2. The factory does not provide all employees with a copy of the employment contract.
3. The factory hires workers on a piece-rate basis for positions that are classified as permanent positions under local law. For example, there was a daily-wage worker hired in thread cutting department. He had joined the factory a week prior to the assessment, and his manual attendance record has been kept. However, a personal file with employment documents was not available, and an employment contract was not issued to the worker.
4. Piece rate workers are not entitled to full benefits for leave, termination, annual bonus, social security, death, and disability insurance, etc.
5. The factory does not hire apprentices, although local law requires that the factories hire apprentices in proportion to 20% of the skilled workforce.
6. Contract employees are not given priority when the factory seeks new permanent employees.

Local Law or Code Requirement

The West Pakistan Industrial And Commercial Employment (Standing Orders) Ordinance 1968, Schedule of Standing Order 2-A, Schedule of Standing Order I-1; Pakistan Constitution, Articles 50 and 142; Apprenticeship Ordinance 1962, Section 4; FLA Workplace Code (Employment Relationship Benchmarks ER.8, ER.9, and ER.11; Nondiscrimination Benchmark ND.8)

Recommendations for Immediate Action

1. Ensure that an employment contract is provided to all employees on the day of hiring.

COMPANY ACTION PLANS

1. 1. The factory will provide fabric and thread cutters with permanent contracts as required by law with the date of hire being the original date the worker began working at the factory (i.e., October 2012). The factory will also create and implement a written policy and procedures to review all hires for eligibility for permanent contracts as required by law. The factory shall not use temporary workers for permanent positions. After that review, the factory will transition employees from temporary to permanent status as legally here 2. The factory will create and implement a written policy and procedures to ensure that all employees are provided with employment contracts on their day of hire as part of the factory induction process. The factory will designate staff to ensure that all current workers who lack copies of their contacts will be provided with them. 3. The factory will also create and implement a written policy to ensure that all employee personnel records are kept on file. 4. The factory will create and implement a written policy and procedures to ensure that all eligible workers, including piece-rate workers, receive all benefits relating to leave, termination, annual bonus, social security, death, and disability insurance, etc. required by local law. As part of this implementation, all piece rate-workers who are working on permanent positions shall be immediately transitioned to permanent positions with a start date being the original date the worker began working at the factory and such contracts shall reflect the applicable benefits entitled to them as permanent workers under the applicable law 5. The factory will create and implement a written policy and procedures to hire workers apprentices in proportion to 20% of the skilled workforce to comply with local law. The factory will hire workers apprentices in a manner compliant with the highest of the standards dictated by local law and Dallas Cowboys Merchandising code of conduct and benchmarks implementing all rules relating to entrance requirements, recruitment and selection, contracts, period of work, costs, composition of instruction and training, and payment of stipends.6. The factory will create and implement a written policy and procedures to ensure that contract employees are given priority when it is hiring new employees.

Action plan status: Planned

Planned completion date: 06/01/16

FINDING NO.2

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. There are no policies and procedures regarding workers' career paths and Personnel Development.
2. The factory does not have specific trainings for supervisors on Workplace Standards or Recruitment, Hiring & Personnel Development.
3. The factory does not have policies and procedures for conducting performance reviews that include steps and processes, and they do not conduct regular performance reviews for employees.
4. The factory does not keep sufficient written records for promotion, demotion, and reassignment.
5. The factory does not communicate policies and procedures on Personnel Development to the general workforce.
6. The loan scheme does not indicate if loans are free of interest. In practice the workers have taken loans without interest, but there is no corresponding written procedure.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationships Benchmark ER.1.1, ER.17, ER.29, and ER.30)

COMPANY ACTION PLANS

1. 1. The factory will establish and implement written policies and procedures regarding workers' career paths and Personnel Development. 2. The factory will create and implement a written policy and procedures to provide specific trainings for supervisors relating to Workplace Standards or Recruitment, Hiring & Personnel Development. 3. The factory will establish written policies and procedures regarding conducting performance reviews that include defined steps and processes, and it will conduct regular performance reviews for employees. 4. The factory will create and implement a written policy and procedures to maintain comprehensive written records for promotion, demotion, and reassignment documenting all such activities. 5. The factory will create and implement a written policy and procedures detailing how it will communicate its policies and procedures relating to Personnel Development and to the general workforce. Procedures will detail how the factory will provide training and announcements to ensure that existing and new workers are fully informed of the factory's Personnel Development policies. 6. The factory will ensure that its written policies on loans made to workers are compliant with law and are in clear and simple language understandable to workers and that those policies are clearly communicated to workers who may be issued new loans before they incur any debt. The factory will ensure that the policy and procedures dictate that the repayment process is fair and does not lead to situations of forced labor. To safeguard that the repayment process is fair, it will have an impartial third party review the process. For workers who have received loans from the factory, the factory must provide documentation of the amount, and terms, including that they are no-interest loans, and such terms must be consistent with the requirements stated above. 7. For all of the policy and procedure development set forth for this finding, the factory shall institute a practice of regular internal auditing to ensure that the policies and procedures are being adhered to. In addition, it is recommended that the factory institute a worker feedback process so that factory management can obtain worker input on such policies and procedures in both a direct and anonymous manner, at the discretion of the worker

Action plan status: Planned

Planned completion date: 02/01/16

FINDING NO.3

COMPENSATION

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory does not have detailed policies and procedures on Compensation, with details on overtime, wage calculation, termination benefit calculation, etc.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1.1)

COMPANY ACTION PLANS

1. The factory will document its policies and procedures on Compensation that will include details on overtime, wage calculation, and termination benefit calculations. Such policies and procedures will be reviewed on an annual basis and be adjusted as needed to comply with changes in legal requirements. Those policies and procedures also will incorporate all applicable legal requirements and they will be communicated to workers via annual and orientation trainings.

Action plan status: Planned

Planned completion date: 02/01/16

FINDING NO.4

COMPENSATION

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory provides workers with eight fully paid sick days, instead of the legally required 16 half-paid sick days. When sick leave exceeds eight days, workers are required to use their rest days for sick leave. If a worker uses up their rest leave for sick leave, the worker's annual leave is then used for any additional sick leave.
2. Piece-rate workers are not entitled to casual, sick, or annual leave.
3. The factory does not have a system to identify pregnant/ lactating workers or juvenile workers.
4. While the factory had developed a policy to identify juvenile workers in 2008 and did not have juvenile workers at the factory at the time of the assessment, there was no evidence that factory management has fully implemented the policy.

Local Law or Code Requirement

Factories Act 1934, Section 49-H; FLA Workplace Code (Employment Relationship Benchmark ER.22.1; Hours of Work Benchmarks HOW.5, HOW.11, HOW.14, HOW.16, and HOW.18)

Recommendations for Immediate Action

1. Comply with legal requirements regarding sick leave.

COMPANY ACTION PLANS

1. The factory will create and implement a written policy and procedures to ensure that workers are provided with the legally required 16 half-paid sick days. The factory will communicate the policy in annual trainings, new worker orientation, and via worker bulletin. 2. The factory will create and implement a written policy and procedures to ensure that all eligible workers are provided with casual, sick, and annual leave required by law. 3. The factory will establish a system whereby pregnant/ lactating workers may identify themselves to management should they choose to in order to ensure that they are provided with all necessary accommodations required by law and the Dallas Cowboys Merchandising code of conduct and benchmarks. 4. The factory will ensure that its policies regarding juvenile workers (e.g., for legally permitted internships or apprenticeship programs) are fully implemented, and if there continues to be no juvenile workers present, that management, administrative and supervisory staff are kept current on related legal requirements and company policies regarding this.

Action plan status: Planned

Planned completion date: 11/01/15

FINDING NO.5

HOURS OF WORK

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The Hours of Work policy was drafted in 2008 and has not been reviewed since then. Additionally, the factory has not developed a system to ensure that legal changes are incorporated into the policy.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1.3)

COMPANY ACTION PLANS

1. The factory will create and implement a written policy and procedures to review its Hours of Work policy on an annual basis to ensure that legal changes are incorporated into that policy.

Action plan status: Planned

Planned completion date: 12/15/15

FINDING NO.6

TERMINATION & RETRENCHMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. There are no written policies and procedures on Termination and Retrenchment. Furthermore, the factory does not provide workers and supervisors with training and communication on Termination and Retrenchment.
2. The factory has delays paying of termination dues. Termination benefits to workers are paid two to eight days after the termination date; local law requires that termination benefits be paid before the end of the second working day after termination.

Local Law or Code Requirement

1. Payment of Wages Act 1936, Section 5; FLA Workplace Code (Compensation Benchmark C.1; Employment Relationship Benchmarks ER.1, ER.16, ER.17, and ER.32)

COMPANY ACTION PLANS

1. The factory shall ensure that termination benefits are paid on a timely basis as required by law (i.e., no later than two days from the date of termination) - Due date : immediate
2. The factory will document its policy and procedures on Termination and Retrenchment. The factory will provide training and communicate those policies and procedures to supervisors and the general workforce during annual in-factory policy training and during new worker orientation.
3. The factory will adjust its processes, and formalize them in writing, to ensure that termination benefits be paid before the end of the second working day after termination.

Action plan status: Planned

Planned completion date: 01/13/16

FINDING NO.7

INDUSTRIAL RELATIONS

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

There is no written policy on Industrial Relations. Additionally, the factory does not provide ongoing training to employees on Industrial Relations and Freedom of Association.

1. There is no system to review policies and procedures. The policy on Freedom of Association was drafted in 2008 and has not been reviewed since then.
2. The factory and the general workforce are not completely aware of the function of the Workers' Welfare Committee, although the worker representatives on the Committee have been elected by the workers.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, and ER.17)

COMPANY ACTION PLANS

1. 1. The factory will adopt and implement an annual review of its Freedom of Association policies to confirm compliance with applicable rules and regulations and it will amend those FOA policies when warranted. 2. Management will create and implement a written policy detailing annual and orientation training and worker communications (such as bulletins) that it will provide to the entire workforce on the function of the Workers' Welfare Committee.

Action plan status: Planned

Planned completion date: 11/01/15

FINDING NO.8

WORKPLACE CONDUCT & DISCIPLINE

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory does not have any policy and procedures on Workplace Conduct & Discipline. Therefore, there is no review system in place.
2. The factory does not provide employees with specific training on disciplinary measures.
3. The factory does not keep records of all warnings and disciplinary actions.
4. There is no procedure for workers to appeal disciplinary actions.
5. Workers do not receive a copy of workplace rules during orientation.
6. The factory does not have any female guards. Female workers open their bags, which are inspected by male guards.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.15, and ER.27.1; Harassment or Abuse Benchmark H/A.10)

Recommendations for Immediate Action

1. Ensure that security searches are gender appropriate. Female guards need to be employed for searching bags of female workers.

COMPANY ACTION PLANS

1. 1. The factory will formalize and document its policies and procedures regarding Workplace Conduct & Discipline. The factory will also create a policy and procedures to conduct an annual training on those policies and procedures and it will incorporate them into new worker orientation trainings. 2. The factory will create and implement a written policy and procedures to ensure that workers are provided with specific training on disciplinary measures on an annual basis and during new worker orientation. 3. The factory will create and implement a written policy to maintain records of all warnings and disciplinary actions. 4. The factory will create and implement a written procedure for workers to appeal disciplinary actions. The factory will communicate the procedure to workers through annual trainings, worker bulletins, and new worker orientations. 5. The factory will create and implement a written policy to provide all workers with a copy of workplace rules during orientation. 6. The factory will create and implement a written policy to hire a female guard to search female workers bags in a separate room and to designate a check post exclusively for female workers.

Action plan status: Planned

FINDING NO.9

GRIEVANCE SYSTEM

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Policies and procedures for the Grievance System in the factory do not provide for any system for communicating to employees on action taken on any concerns.
2. Grievance policies and procedures do not include non-retaliation protection for workers who raise concerns.
3. The policies and procedures on the Grievance System were drafted in 2008 and have not been reviewed since then.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.25.3.2)

COMPANY ACTION PLANS

1. The factory will revise its grievance system to implement communication to employees on action taken in response to concerns raised. The factory will ensure that the system will offer both confidential and non-confidential communication channels and that it will respond to workers using the worker's preferred communication channel. The factory will also create and implement a written policy and procedures to hold annual worker and staff training on the revised Grievance System and to incorporate it into new worker orientation.
2. The factory will revise its grievance policies and procedures to specify non-retaliation protection for workers who raise concerns. The factory will also incorporate the revised grievance policies and procedures into annual worker and staff training, new worker orientation, and worker communications such as bulletins.
3. The factory will create and implement a policy to conduct an annual review of its Grievance System to ensure that it is functional, trusted by workers, and that it includes all required elements of a fair and impartial Grievance System. When necessary, the factory will amend its system to ensure that the system complies with the items noted above.

Action plan status: Planned

Planned completion date: 12/15/15

FINDING NO.10

HEALTH, SAFETY & ENVIRONMENT

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory does not have clearly defined procedures on emergency responses for spills or gas leaks.
2. The waste storage area is in the open and not divided from other storage areas with a barrier or fence.
3. The capacity of secondary containers is inadequate to catch any spills and leakage from the primary containers. Additionally, the factory does not provide workers with spill response kits.
4. Workers in the finishing section remove stain in an open area. Although, the stain removal worker uses Personal Protection Equipment (PPE), other workers working in the area are exposed to fumes.
5. The factory does not provide health checks for the stain-removing operator who handles chemicals.
6. The water pressure in the eye wash stations is malfunctioning. Moreover, workers have to operate the eye wash station with their hands.
7. Chemical containers do not have hazard identification.
8. The policies and procedures on Environmental Protection were drafted in 2008 and has not been reviewed since then.
9. The factory does not maintain sufficient documentation related to environmental protection. There are no records of waste being generated, stored, and disposed.

Local Law or Code Requirement

Recommendations for Immediate Action

1. Provide spill response kits, and the concerned workers trained on their use.
2. Ensure that stain-removing operations are done in designated areas that are well ventilated with exhaust systems and located away from production areas.

COMPANY ACTION PLANS

1. 1. The factory will create and implement clearly defined policies and procedures on emergency responses for spills or gas leaks including evacuation plans and designated staff to ensure safe evacuation of the facility. The factory will provide training to workers on the factory's procedures on an annual basis. 2. The factory will enclose its waste storage area and divide it from other storage areas with a barrier capable of clearly dividing areas and it will segregate waste by categories in bins. 3. a. The factory will procure appropriate secondary containers and spill response kits. b. The factory will create and implement a written policy and procedures to have designated staff check on a weekly basis that containers are adequate and that spill response kits with clear instructions are provided. Procedures will direct staff to procure appropriate containers and spill response kits when required. c. Once in place, the factory will provide annual and as needed training to workers on the use of the spill response kits. 4. The factory will move its stain-removing operations to a separate, well-ventilated, area away from other workers and production areas. 5. The factory will create and implement a written policy designating staff to track and schedule annual health checks for stain-removing operators who handle chemicals. 6. The factory will create and implement a policy and procedure to designate staff to ensure that water pressure in the eye wash station is sufficient and that the station is functional without the use of hands. The designated staff will conduct weekly checks documented on a checklist to confirm that eye wash stations are fully functional. 7. The factory will create and implement a written policy and procedures designating an employee to ensure that all chemical containers will have appropriate hazard identification clearly visible. The designated staff will conduct weekly checks documented on a checklist to confirm that all chemicals have appropriate identification. 8. The factory will create and implement a written policy directing an annual review of its Environmental Protection policies and procedures to confirm compliance with applicable rules and regulations and it will amend those policies when warranted. 9. The factory will revise its policies and procedures to ensure that designated staff maintains sufficient documentation related to environmental protection to comply with applicable law. These new policies will direct the documentation of metrics such as waste being generated by category, storage, and quantities disposed.

Action plan status: Planned

Planned completion date: 11/01/15

FINDING NO.11

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory does not have clearly defined procedures regarding Health and Safety that include all aspects of safe evacuation, e.g. a complete list of employees trained and responsible for evacuation process with duties including special categories of workers, visitors, and responsible staff, and guidance for external contractors and service providers.
2. The factory does not conduct periodic training on Health and Safety for all employees.
3. Housekeeping in the finishing section needs improvement. Electric motors, fans and electric power points under the tables are covered with lint, which can increase the risk of fire.
4. The factory only provides a fire blankets and not the legally required equipment to fight fires (e.g., fire stick, fire suits/helmets, axe, etc).
5. Water flood preventers at the sampling room are located in front of the exit doors. Furthermore, the water flood preventers are not marked appropriately, increasing the risk of stumbling in case on an emergency.
6. The factory does not take measures to protect the reproductive health of employees through minimizing exposure to workplace hazards.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.5.1, HSE.6, HSE.12; Nondiscrimination Benchmarks ND.8; Employment Relationship Benchmark ER.31)

Recommendations for Immediate Action

1. Provide the required fire fighting equipment.

COMPANY ACTION PLANS

1. The factory will review its policies for gaps to ensure that it has clearly defined procedures regarding Health and Safety that include all aspects of safe evacuation, e.g. a complete list of employees trained and responsible for evacuation process with duties including special categories of workers, visitors, and responsible staff, and guidance for external contractors and service providers. 2. The factory will create and implement a written policy and procedures to conduct annual training on Health and Safety for all employees. Training will include factory-wide Health and Safety education and machine and department-specific education. 3. The factory will create and implement a written policy and procedures to ensure that housekeeping tasks in the finishing are attended to including lint inspection and removal. The procedures will include the requirement for an employee to be designated to conduct routine inspections to verify that housekeeping tasks are complete, a checklist of items to be inspected and addressed, the frequency of those inspections -which will be no less than weekly, provide necessary tools to complete the tasks, and a mechanism for confirming that issues have been corrected. 4. The factory will obtain all legally required fire-fighting equipment and it will create a policy and procedures to confirm that equipment is always available in the facility. The procedures will include the creation of a checklist and the designation of an employee who will conduct routine inspections to verify that all equipment is available. 5. The factory will ensure that water flood preventers in the sampling room are clearly marked and are relocated to an appropriate location away from the exit doors. 6. The factory will create and implement a written policy and procedures to ensure that measures to protect the reproductive health of employees through minimizing exposure to workplace hazards are in place by conducting a comprehensive risk assessment. Procedures will require an annual review of measures to ensure they are current and sufficient.

Action plan status: Planned

Planned completion date: 11/01/15

FINDING NO.12

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory has not conducted a detailed risk assessment to cover all hazards in the workplace.
2. The policies and procedures on Health & Safety were drafted in 2008, and have not been reviewed since then.
3. The factory does not provide workers with Lock-Out-Tag-Out (LOTO) safety arrangements. Additionally, some sewing machines do not have pedal mats, increasing the risk of injuries or electric shocks.
4. The power generator exhaust pipes are structurally incorporated in to the factory building, however, the pipes are not insulated and could cause burn injuries.
5. Workers with standing jobs either work with bare feet or use hard-soled footwear.
6. The factory provides workers with sitting jobs hard stools without backrests, which can cause bodily strain and musculoskeletal disorders.
7. The flush tanks in some toilets are malfunctioning.
8. The canteen does not have insect repellent. However, raw meat and snacks are kept in an open vessel without a cover. Additionally, food handlers do not wear required head caps, respiratory masks, and disposable gloves.
9. The canteen personnel do not keep food samples against the risk of food poisoning.
10. The factory provides all workers common steel glasses (chained at the drinking water stations) for drinking water. This means the workers can only drink water by the water dispenser using the same cups.
11. Safety instructions are not displayed near machinery (power generator, air compressor, fabric cutting machines, and sewing machines) in workers' language.
12. The factory does not track any illnesses.

Local Law or Code Requirement

Factories Act 1934, Section 26-1; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.3, HSE.14, HSE.17, HSE.19, HSE.23.1.1, and HSE.23.1.2; Employment Relationship Benchmarks ER.1 and ER.31)

Recommendations for Immediate Action

1. Install insect repellents. Keep food covered at all times. Food servers need to use disposable gloves and head covers.
2. Ensure that flush tanks are maintained in operational condition at all times.
3. Post safety instructions for the operation of machines in the local language.
4. Provide workers working in standing positions with anti-fatigue mats.

COMPANY ACTION PLANS

1. 1. The factory will create and implement a written policy and procedures to conduct an annual detailed risk assessment to evaluate all hazards in the workplace. The policy will also conduct require a new risk assessment whenever there is a reconfiguration of the facility. 2. The factory will create and implement a written policy directing an annual review of its Health & Safety policies and procedures to confirm compliance with applicable rules and regulations and it will amend those policies when warranted. 3. The factory will create and implement a written policy and procedures to ensure that workers who use electrical machinery are provided with appropriate trainings and safety tools such as pedal mats. The procedures will designate staff to procure and confirm the availability of appropriate tools such as mats, and it will include direction for supervisors to confirm that workers use safety tools as directed. 4. The factory will insulate pipes to prevent burn injury. 5. The factory will create and implement a written policy and procedures to ensure that workers with standing jobs wear appropriate footwear. The factory will communicate the policy to those workers through verbal and written channels and it will train supervisors to implement the policy. 6. The factory will provide workers with sitting jobs appropriately ergonomic seating and it will create and implement a written policy and procedures to designate staff to ensure that appropriate seating is available and functional. 7. The factory will create and implement a written policy and procedures to ensure that all toilets are in good working order at all times and it will create a daily checklist for designated staff to confirm that bathrooms are properly maintained along with a mechanism for that staff to provide updates to management. 8. The factory will create and implement a written policy and procedures to ensure that the canteen is stocked with insect repellent and all food is kept in covered vessels. The procedures will also ensure that food handlers wear required head caps, respiratory masks, and disposable gloves and that the policy is communicated to canteen staff. 9. The factory will create and implement a written policy and procedures to ensure that canteen personnel keep food samples against the risk of food poisoning for three days. The procedure will direct that the policy be communicated to canteen staff. 10. The factory will create and implement a written policy and procedures to ensure that all workers are provided with their own cups, disposable or non-disposable. Procedures will direct that a staff member will be designated to ensure that personal cups are available to all workers. That staff member will check cup supply daily and restock cups as needed. 11. The factory will create and implement a written policy and procedures to ensure that safety instructions are displayed near machinery (power generator, air compressor, fabric cutting machines, and sewing machines) in workers' language. Procedures will direct for designated staff to inspect machinery signage on a monthly basis to confirm it is present and in workers' language. 12. The factory will create and implement a written policy and procedures to document worker illnesses. Procedures will include designated staff to track those illnesses.

Action plan status: Planned

Planned completion date: 11/01/15

FINDING NO.13

HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The lift inspection report for cargo elevator does not comply with legal guidelines on inspections.
2. The factory does not test the compressed air vessel for safe operation. Also, the steam generator (boiler) has been inspected by the manufacturer, but according to local regulations, boilers have to be inspected by governmental authorities.

Local Law or Code Requirement

Sind Factories Rules 1978, Rule 77 Cranes and other Lifting Machinery, Section 33; FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1)

COMPANY ACTION PLANS

1. 1. The factory will ensure that the cargo elevator inspection report provides details of tests conducted as specified by local law. To facilitate that reporting is sufficiently comprehensive, the factory will develop a report format that lists all of the information/inspections required by law to be regularly obtained for the cargo elevator. 2. The factory will create and implement written policies and procedures that compressed air vessel are tested for safe operation and that the steam generator (boiler) is inspected by governmental authorities at intervals per local regulations. The factory will create and implement a written policy and procedures to ensure staff is provided with necessary training to confirm that all tests and inspections are done in accordance with local law.

Action plan status: Planned

Planned completion date: 11/01/15

FINDING NO.14

COMPENSATION

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. A review of social insurance payments showed that the factory does not provide employees with sufficient social insurance. Only 68 workers of 307 eligible workers were covered with a social security contribution, and only 130 workers of 455 eligible workers received pension insurance.

Local Law or Code Requirement

The Provincial Employees Social Security Ordinance, 1965, Section 20; The Employees' Old-Age Benefits (EOBI) Act 1976, Section 9; FLA Workplace Code (Employment Relationship Benchmark ER.22; Compensation Benchmark C.1)

COMPANY ACTION PLANS

1. The factory will create and implement a written policy and procedures to ensure that all eligible workers are provided with social security contributions and pension insurance. Procedures will include reviewing all employee files to assess eligibility.

Action plan status: Planned

Planned completion date: 12/15/15

FINDING NO.15

RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory hires piece-rate workers in the sewing departments through three staffing agencies. However, there is no written contract available for one of the staffing agencies.
2. The factory has contracts with the two other staffing agencies stating that there is a commission for the recruitment of each piece-rate worker. Clause 13 in the contract states that the staffing agency will be responsible to ensure accurate payments to the worker. Further, clause 17 states that the staffing agency is accountable for any occurring losses based on productivity loss or damages. However, employment documents of the stitching workers revealed that these workers are hired on a piece-rate basis on the factory's payroll. Hence, they are factory employees, meaning that the factory is responsible for accurate payments and possible damages. As a result, the actual employment statuses of all employees could not be verified.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationships Benchmark ER.6, ER.7.1, ER.8, and ER.9)

COMPANY ACTION PLANS

1. 1. The factory will create and implement a written policy and procedures to ensure that a written contract with each staffing agency with whom it engages is available. 2. The factory will have staffing agency contracts revised to reflect compensation arrangement in place allowing for employment status of workers to be fully verified.

Action plan status: Planned

Planned completion date: 11/01/15

FINDING NO.16

WORKER INTEGRATION (MACRO)

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The Worker Integration component is missing from all Employment Functions. This indicates that the factory has not established procedures to receive worker input and feedback on the creation, implementation, and revision of its policies and procedures. Workers are neither systematically integrated nor consulted in the decision-making processes.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3 and ER.25.2)

COMPANY ACTION PLANS

1. The factory will revise its policies to ensure that the Worker Integration component is included in all Employment Functions safeguarding that workers are systematically integrated and consulted in the decision-making processes. Those policies will establish procedures to receive worker input and feedback on the creation, implementation, and revision of its policies and procedures.

Action plan status: Planned

Planned completion date: 02/01/16