



2009

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: MAS Holdings
COUNTRY: Sri Lanka
FACTORY CODE: 750070449H
MONITOR: T Group Solutions Pvt Ltd
AUDIT DATE: December 14 – 15, 2009
PRODUCTS: Briefs, Bras, Swimwear
PROCESSES: Cutting, Sewing, Finishing,
Packing
NUMBER OF WORKERS: 3986

FLA Comment: This report was submitted to the FLA and the FLA affiliated company by the accredited independent external monitor. Despite deadline reminders and extensions for submission of a corrective action plan, the FLA has not received a plan to address the 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 and reviewed by the FLA.



CONTENTS:

Wages, Benefits and Overtime Compensation: General Compliance Wages, Benefits and Overtime Compensation	3
Wages, Benefits and Overtime Compensation: Record Maintenance.....	4
Wages, Benefits and Overtime Compensation: Other - Wages, Benefits and Overtime Compensation.....	5
Forced Labor: Employment Records	6
Health and Safety: Evacuation Requirements and Procedure	7
Health and Safety: Personal Protective Equipment	8
Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance	9
Health and Safety: Machinery Maintenance and Worker Training.....	10
Health and Safety: Bodily Strain.....	11
Hours of Work: General Compliance Hours of Work	12
Hours of Work: Rest Day	13
Hours of Work: Overtime/Reduced Mandated Overtime.....	14



Wages, Benefits and Overtime Compensation: General Compliance Wages, Benefits and Overtime Compensation

WBOT.1 Employers shall comply with all local laws, regulations and procedures concerning the payment of wages and benefits, including overtime compensation. In any case where laws and the FLA Code are contradictory, the standard that provides the greatest protection for workers shall apply. Where provisions are lacking, employers shall take measures to reasonably accommodate matters concerning the payments of wages and benefits, including overtime compensation. (S)

Noncompliance

Explanation: 1. Workers on factory rolls are being compensated accurately; however, outsourced security guards work on 12 hours shifts x 6 days/week, i.e., 66 hours a week, excluding breaks. They are compensated for 3 extra hours per day. However, Saturdays are also being considered as a full working day, as OT is paid for 3 OT hours, instead of 5.5 hours (Saturdays are half working days). Per BOI standards, any work after 45.5 hours of regular work is to be compensated at overtime premiums.

2. Though Clause #24 in the agreement between management and [Cleaning service agency name], (agency providing housekeeping/cleaning workers) states that OT would be compensated at 1.5 times for work done over 8 hours a day, these workers are not being compensated for extra hours worked over the regular 45.5 hours a week. They work 48 hours every week (8 hours x 6 days). The appointment letter issued to these workers states that the daily working hours would be on shifts from 6am to 2pm and 2pm to 10pm.

3. Calculation for overtime compensation for outsourced canteen workers is being based on 30 days in the month, instead of 25 days. Hence, these workers are receiving less than what they should be.

4. Outsourced security officers are not being paid basic wages, as per number of years of service, as required by the Wages Board for the Security Services Trade, effective July 1, 2009

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**



Plan **No**
Complete:

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Date:

Wages, Benefits and Overtime Compensation: Record Maintenance

WBOT.21 Employers shall ensure that all legally required payroll documents, journals and reports are available, complete, accurate and up-to-date. (P)

Noncompliance

- Explanation:** 1. Wage records do not provide details of the OT hours worked. Only the OT compensation is mentioned. However, details of OT hours and amount payable are provided in the wage slips.
2. Budgetary Relief Allowance (BRA) is not being shown separately in the wage register. Also, the allowance is included in the basic wage, as reflected in the wage slips, with a note below saying that it has been included in the basic wage. This does not comply with the BRA Act and BOI notification.

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Wages, Benefits and Overtime Compensation: Other – Wages, Benefits and Overtime Compensation

Other

Noncompliance

Explanation: Cleaning workers have worked on night shifts on a few occasions, from 5:30pm until 2am. Permission is not taken for night shift work from the labor department/BOI. There is no written consent from workers to work night shifts.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:



Forced Labor: Employment Records

F.9 Employers shall maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision. (P)

Noncompliance

Explanation: Agreements signed between management and service providers for security, housekeeping, and canteen services do not provide any details on the employment practices for workers provided by these agencies.

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Health and Safety: Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

Noncompliance

- Explanation:**
1. Evacuation maps posted in work areas do not match the floor layout.
 2. Emergency lights are missing above most exits. Only a few exits that have lights installed above them, and they are a domestic type of light, which may not be effective in thick smoke.
 3. Evacuation route markings are missing in some work areas and fabric stores. Those that are marked are not prominent.

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Health and Safety: Personal Protective Equipment

H&S.11 Workers shall be provided with effective and all necessary personal protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to health and safety hazards, including medical waste. (S)

Noncompliance

Explanation: Workers in stain removing operations were seen using cloth masks, which do not prevent them from breathing in fumes. However, no chemicals were seen being used; only soap and water were being used.

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Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

Noncompliance

Explanation: Excessive lint was noticed on electrical lights, support beams, etc., in the cutting section.

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Health and Safety: Machinery Maintenance and Worker Training

H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly guarded. Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use. Employers shall ensure safety instructions are either displayed/posted near all machinery or are readily accessible to the workers. (S)

Noncompliance

Explanation: Tag guns are not marked with employee's code/name. All employees in the tagging section were sharing the guns.

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Health and Safety: Bodily Strain

H&S.20 Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains. Employers shall train workers in proper lifting techniques and items such as belts shall be provided. (S)

Noncompliance

Explanation: [Workers with standing jobs were seen working barefoot.](#)

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Hours of Work: General Compliance Hours of Work

HOW.1 Employers shall comply with all local laws, regulations and procedures concerning hours of work, public holidays and leave. (S)

Noncompliance

- Explanation:** 1. During the 3rd week of September; the 2nd and 3rd weeks of October; and the 1st and 2nd weeks of November 2009, [Factory name's] brief division worked between 60 to 77 hours per week.
2. Security guards work 12-hour shifts, amounting to 66 hours a week, excluding daily break times for an hour.

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Hours of Work: Rest Day

HOW.2 Workers shall be entitled to at least one day off in every seven-day period. If workers must work on a rest day, an alternative day off must be provided within that same seven-day period or immediately following the seven-day period. (P)

Noncompliance

Explanation: Review of outsourced security guards' duty roster revealed missing rest days for a few guards, on a couple of occasions during the past 3 months.

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Hours of Work: Overtime/Reduced Mandated Overtime

HOW.8 The employer shall demonstrate a commitment to reduce overtime and to enact a voluntary overtime system, including for overtime mandated to meet extraordinary business circumstances. (P)

Noncompliance

Explanation: Factory works on 2 shifts: 6am - 2pm and 2pm - 10pm. At times, the 1st shift works overtime beyond 2pm, until 5:30pm. On such occasions, the 2nd shift works from 5:30pm until 5:30am. Although the factory has consent from workers to work night shifts (beyond 10pm), there is no written consent taken from workers for working overtime during the day shifts (beyond 2pm).

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