



2010

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: MAS Holdings
COUNTRY: Sri Lanka
FACTORY CODE: 7500704781
MONITOR: ASK (Association for Stimulating Know-How)
AUDIT DATE: June 10 – 11, 2010
PRODUCTS: Leisure Clothing
PROCESSES: Cutting, Sewing, Finishing, Packing
NUMBER OF WORKERS: 583

FLA Comment: This report was submitted with a corresponding corrective action plan to the FLA and was reviewed by FLA staff. In an effort to improve the effectiveness of remediation, the FLA has provided feedback and recommendations to the company, however the recommendations have not been agreed or incorporated by the company. The report is posted in its current state and is considered finalized. Updates on the progress of the corrective action will be posted when received by the company.



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Wages, Benefits and Overtime Compensation: Overtime Compensation Awareness

WBOT.11 Workers shall be informed, orally and in writing, about overtime compensation rates prior to undertaking overtime. (P)

Uncorroborated Evidence of Noncompliance

Explanation: 26 out of 45 workers reported that they do not understand the overtime wage calculation. They also reported that they are free to go to the HR department to access this information. Workers also reported that while they participated in induction a few years back, their knowledge has not been updated.

Plan Of Action: Induction to cover all new recruits in all areas.
Responsible Personnel: HR and Training line instructor

Deadline Date: 08/01/2010

Action Taken: Completed (10/4/2010)

Plan Complete: No

Plan Complete Date:



Freedom of Association: Employer Interference/Constitution, Elections, Administration, Activities and Programs

FOA.5 Employers shall not interfere with the right of workers to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programs. (S)

Noncompliance

Explanation: Presently, for the selection of the Joint Consultative Council (JCC) representatives, workers have to mark on the person's name that they prefer from the nominee list; this list is then circulated within the entire section. The free ballot system based on voluntary nominees among the workforce needs to be introduced for the employee selection.

Plan Of Action: Secret ballot to be used in the process of selecting members to the JCC.

Deadline: Next JCC election

Responsible Personnel: HR

Deadline

Date:

Action Taken: In process (10/4/2011)

Plan Complete: No

Plan Complete

Date:



Freedom of Association: Grievance Procedure

FOA.26 Employer shall have in place written grievance procedures that allow first an attempt to settle grievances directly between the worker and the immediate supervisor but that, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Employers shall ensure that the grievance procedures and applicable rules are known to workers. (P)

Noncompliance

Explanation: Both management and workers stated that they report their particular grievances to the Joint Consultative Council representatives through writing on a piece of paper, which is circulated one by one to all section workers. Due to this practice, the anonymity of the worker is not maintained.

Plan Of Action: To allow about 15 minutes for a pre-JCC.

Deadline Date: 10/04/2010

Action Taken: Completed (10/4/2010)

Plan Complete: No

Plan Complete Date:

Harassment or Abuse: Discipline/Progressive Discipline

H&A.2 Employers shall have a written system of progressive discipline (e.g., a system of maintaining discipline through the application of escalating disciplinary action moving, for instance, from verbal warnings to written warnings to suspension and finally to termination). Any exceptions to this system (e.g., immediate termination for gross misconduct, such as theft or assault) shall also be in writing and clearly communicated to workers. (P)

Noncompliance

Explanation: The disciplinary procedure does not mention a progressive system of discipline with the application of escalating disciplinary actions moving from verbal warning to written warnings. Secondly, if there is a termination of an employee due to gross misconduct such as theft or assault, then there should be a provision on this in the policy that explains this in writing and it should be clearly communicated to the workers.

Plan Of Action: To modify the disciplinary procedure in its next review.

Responsible Personnel: [Employee name #1]

Deadline Date: 08/23/2010

Action Taken: Completed (10/4/2011)

Plan Complete: No

Plan Complete Date:



Health and Safety: Worker Consultation

H&S.4 The health and safety policy shall be developed and implemented in consultation with workers or their representatives. (P)

Noncompliance

Explanation: The divisional team updates the company's health and safety policy. However, the workers are not consulted in this process.

Plan Of Action: Divisional team will use the data that is gathered through the worker interviews in the Internal Plant Assessment.

Responsible Personnel: [Employee name #1]

Deadline Date: 08/01/2010

Action Taken: Completed (10/4/2010)

Plan Complete: No

Plan Complete Date:

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. Congestion observed in the cutting section; no aisle markings and no evacuation map.

2. The staircase width in the raw material/quarantine area is narrow, which could cause accidents during the outbreak of fire.

3. In the sewing section, the module aisles reaching the main section aisles are narrow; there is no consistent aisle marking; and direction routes are blocked with goods.

4. In the finished goods section, there are no aisle markings on the ground floor and on the floor upstairs, the aisles were narrow and cluttered.

Plan Of Action: Aisles in the sewing and packing departments to be reviewed and make sure that they are not blocked. Put new emergency evacuation plan.

Responsible Personnel: [Worker name #2]/[Worker name #3]

Deadline Date: 09/01/2010

Action Taken:

Plan Complete: No

Plan Complete Date:



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)

Uncorroborated Evidence of Noncompliance

Explanation: At the time of audit, a particular cotton ladies' sleeveless garment was under production, creating visible dust/fiber, especially in the area of overlock machine operators. Some of the machine operators were observed wearing cotton masks. The factory management stated that they have conducted a risk assessment to gauge the level of dust in every section. Here, the effectiveness of the dust mask used needs to be assessed.

Plan Of Action: Re-assess the effectiveness of the masks and provide another one if ineffective.

Responsible Personnel: [Employee name #1]/[Employee name #2]

Deadline Date: 09/30/2010

Action Taken: In process (10/04/2010)

Plan Complete: No

Plan Complete Date:



Health and Safety: Chemical Management and Training

H&S.13 All chemicals and hazardous substances shall be properly labeled and stored in accordance with applicable laws. Labels shall be placed in the local language and the language(s) spoken by workers, if different from the local language. Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances. (S)

Noncompliance

Explanation: In the chemical section, only some chemical names were translated in the local language.

Plan Of Action: Will translate all the chemicals to the local language (only the important details).

Responsible Personnel: [Employee name #3]

Deadline Date: 09/01/2010

Date:

Action Taken: Completed (10/04/2010)

Plan Complete: No

Complete:

Plan Complete Date:

Health and Safety: Material Safety Data Sheets/Worker Access and Awareness

H&S.14 Material Safety Data Sheets (MSDS) for all chemicals used in the factory must be available at the usage and storage sites of the chemicals, in the local language and the language(s) spoken by workers, if different from the local language. Workers shall have free access to MSDS. (P)

Noncompliance

Explanation: At the time of audit, only the MSDS for thinner and WD-40 were available in the chemical room.

Plan Of Action: MSDS to be made available for all chemicals being used.

Responsible Personnel: [Worker name #3]

Deadline Date: 09/01/2010

Action Taken: Completed (10/04/2010)

Plan Complete: No

Plan Complete Date:



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)

Uncorroborated Evidence of Noncompliance

Explanation: In the facility, the raw material/quarantine, finishing goods, and cutting sections are not properly ventilated. The air conditioner panel in the cutting section is completely clogged with cloth fibers.

Plan Of Action: Ventilation to be improved in packing, raw material, quarantine, and cutting areas.
Responsible Personnel: [Employee name #5]

Deadline Date: 12/31/2010

Action Taken: In process (10/04/2010)

Plan Complete: No

Plan Complete Date:

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: From the records reviewed, in the month of March 2010, which is a peak production month, 32 workers from the cutting section worked between 70 to 115 hours per week. A few workers who were iron operators and packers also exceeded the 60 hours per week limit. Management reported that this was due to increased production efficiency of the machine operators, which went up to as high as 118%. Due to this, the cutting section had to work overtime hours to provide the feed to the machine operators. 10 out of 45 workers interacted with reported that during urgent shipment delivery, they are required to work overtime after 5:30 to 7:30 pm, extending up to 9:30 pm and, sometimes, 11:30 pm.

Plan Of Action: Overtime to be informed to employees on the previous working day.

Responsible Personnel: All HOD's

Deadline Date: 08/01/2010

Action Taken: Completed (10/04/2010)

Plan Complete: No

Plan Complete Date:
