



Member(s) Fast Retailing Co., Ltd.
Country Türkiye
Date of Inspection 6/4/2024

FLA Assessment Corrective Action Plan
Summary of Corrective Actions Taken or Planned

Additional CAP Notes

| Benchmark ID | Benchmark details | Question(s) | Finding details | Recommendation for Immediate Action | Recommendation for Sustainable Improvement | Company Plan of Action | Company deadline (MM-DD-YYYY) | Action Taken | Company Progress Status |
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| C.1.1 | Employers shall comply with all national laws regulations and procedures concerning the payment of compensation to workers. | Applicable to compensation is the factory in compliance with the local legal requirements/ FLA Code in all other areas not previously noted? | If workers work more than 50 hours of overtime in a month the employer pays the workers for those additional hours in cash rather than bank deposit. | All wages should be paid through bank deposit. | | As of JULY all earnings including overtime wages over 50 hours have been reported to the Social Security Institution. | 07-01-2024 | The factory already done the actions planned. | Completed |
| C.12.1 | All legally mandated deductions for taxes social insurance or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes etc. | Does the factory use the correct calculation basis for social or medical insurance for all workers? | If workers work more than 50 hours of overtime in a month the employer does not report those additional hours to the national social insurance institution. As a result the employer does not make contributions to the social insurance system for those hours. | Report all hours worked and earnings to the proper social insurance institution. | | As of JULY all earnings including overtime wages over 50 hours have been reported to the Social Security Institution. | 07-01-2024 | The factory already done the actions planned. | Completed |
| C.16.1 | All compensation records including wages and benefits whether in cash or in-kind must be properly documented and their receipt and accuracy must be confirmed by the relevant worker in writing (e.g. signature thumbprint). | Is the receipt of all compensation confirmed by the relevant worker in writing? | If workers work more than 50 hours of overtime in a month the cash payments made for these additional hours (see finding C.1.1) are not recorded on the pay slips. | Pay slips should state all payments including overtime hours paid via bank transfer or cash. | | As of JULY all earnings including overtime wages over 50 hours have been reported to the Social Security Institution. | 07-01-2024 | The factory already done the actions planned. | Completed |
| C.21.2 | All benefits shall be calculated correctly | Are all benefits calculated correctly? | Due to discrepancies in payment systems based on 30-day months the factory over-counts employee absences during the month of February. For example workers who miss 1 day of work in February have 3 days' wages deducted causing them to be underpaid and receive insufficient social insurance contributions. | Factory should make complete payments according to the exact number of days worked in a month. | | As of July 1st we passed switching to hourly payment. In months with 31 days 31 days wage will be paid and in months with 28/29 days 28/29 days wage will be paid. | 07-01-2024 | The factory already done the actions planned. | Completed |
| ER.1.1 | Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment hiring and probation including written terms and conditions of employment job descriptions administration of compensation and working hours for all positions through to retrenchment and termination processes. | In cases where child labor is found does the factory have procedures to remediate the issue? | The factory's Policy and Procedure on Child Labor does not include details on how a situation of child labor would be remediated. | | | The remediation conditions have detailed in the Child Labour Avoidance procedure | 07-01-2024 | The factory already done the actions planned. | |

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| ER.1.2 | Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions. | Does the factory provide any ongoing training to workers on all FLA's Code elements and Employment Functions? | The factory provided a training on social compliance topics and workplace standards in August 2023. However 66 workers hired after August 2023 have not received any social compliance training. | Social compliance training was provided to newly hired personnels and other untrained personnels. Social compliance training will be provided at each new recruitment. | 07-01-2024 | The factory already done the actions planned. | | |
| ER.15.3 | Employers shall not demand that workers sign any declaration of good health waivers or releases of other rights as a condition of receiving severance pay or other legal benefits* from the company and shall not threaten to withhold benefits if workers do not sign. | Do workers receive severance pay and other legal termination benefits without signing a declaration of good health waiver or other release of rights? | When the employer calculates workers' indemnity payments the monetary of the transportation and meal benefits provided for workers are not included in the calculation. | Indemnity payments should be calculated based on all services provided by the company. | Way + Meal fees have been added to compensation as of June. | 07-01-2024 | The factory already done the actions planned. | Completed |
| ER.16.3 | Where temporary or permanent layoffs are unavoidable a plan should be developed and implemented that mitigates the adverse effects of such changes on workers and their communities. | In cases of unavoidable layoffs has the factory developed and communicated to the workers a plan that mitigates the adverse effects of layoffs? | The factory has no procedure in place for retrenchment or downsizing. | | A procedure for downsizing in the factory has been prepared. | 07-01-2024 | The factory already done the actions planned. | Completed |
| ER.17.1 | Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes worker committees designated spaces for worker meetings union representatives and meetings between management and workers' representatives. | Applicable to grievance system is the factory in compliance with the local legal requirements/ FLA Code in all other areas not previously noted? | 1. According to the company's internal regulations a meeting to review suggestions and complaints should be organized every 6 months. In practice however the last such review meeting was held 1.5 years ago. 2. One of the worker representatives at the factory was promoted to a supervisory role and was no longer eligible to be a worker representative. The public list of worker representatives was not updated to reflect the change. | 1.A meeting was held on 17.07.2024 to evaluate the complaints. On 01.08.2024 all complaints dating back 1 year were evaluated by Employee Representatives. 2.In the personnel list given on the day of the audit the employee representative was mistakenly marked as administrative staff due to a Human Resources Unit error. This situation was explained on the day of the audit. | 08-01-2024 | The factory already done the actions planned. | Completed | |
| ER.19.1 | Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws. | Are the relevant FLA-affiliated company's(ies)' written workplace standards made available to workers managers and supervisors? | Neither the FLA Code nor the FLA member company's workplace standards are posted on the notice boards at the factory. | The FLA Code of Conduct is posted on the notice boards. | 06-01-2024 | The factory already done the actions planned. | Completed | |
| ER.3.1 | Employers shall provide an orientation to new employees at the time of hiring which includes explanations of the employers' rules compensation package and policies for human resources grievance systems industrial relations including respect of the right to freedom of association workers' rights and responsibilities FLA Code of Conduct health and safety and environmental protection. | Does the orientation Training to new workers cover all FLA's Code elements and Employment Functions? (Company Code elements are accepted if FLA Codes are fully covered) | The factory's social compliance training for workers does not cover four key Code elements: Harassment and Abuse Forced Labor Child Labor and Freedom of Association. In addition the assessment found that recently-hired workers (hired in approx. the last month) had not been informed of the presence of worker representatives in the factory. | Harassment and Abuse Forced Labor Child Labor and Freedom of Association trainings was provided to newly hired personnels and other untrained personnels. Training topics have been organized. During the trainings staff were informed about employee representatives. | 07-01-2024 | The factory already done the actions planned. | Completed | |

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| ER.4 | Employers shall inform workers about workplace rules environmental protection systems health and safety information and laws regarding workers' rights with respect to freedom of association compensation working hours and any other legally required information and the FLA Code through appropriate means including posted in local language(s) throughout the workplace's common areas. | Does the factory provide regular communication to workers on all FLA's Code elements and Employment Functions?Is the FLA Code made available/communicated to the workers? | Neither the FLA Code nor the FLA member company's workplace code are publicly posted in the factory. Management stated that they did not have the FLA Workplace Code of Conduct. | The FLA Code of Conduct is posted on the notice boards. | 06-01-2024 | The factory already done the actions planned. | Completed |
| ER.7.1 | Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process demonstrate linkages to job grading prohibit discrimination are provided in writing and seek feedback and agreement/disagreement from employees in writing and that follow all local legal requirements. | Are performance reviews documented in writing?Does the factory conduct performance reviews for all workers? | There are no policies and procedures in place with regard to performance reviews. No performance reviews are conducted in the factory. | We do not have a written procedure regarding our performance system . We already state this in our job interviews. However performance evaluations are made by supervisors chiefs foremen and department heads in consultation with each other according to the unit where the personnel work and a joint decision is made. | 12-31-2024 | The factory is in progress to discuss internally and issue a policy | In Progress |
| ER.8 | Employers shall have written policies and procedures with regard to promotion demotion and job reassignment that outline the criteria demonstrate linkages to job grading and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment are provided in writing and seek feedback from employees in writing and follow all local legal requirements. | Does the factory have policies and procedures on promotion demotion and job reassignment?Does the factory promote workers in a fair and transparent way based on their job performance? | 1. There are no procedures regarding promotion demotion and job reassignment. Promotion of workers is done solely by managers' decision. 2. The factory's labor contract states that ""wage increase is at the discretion of the employer"" and ""the bonus may be given or removed."" However there is no bonus system in place for workers at this factory. | 1.We do not have a written procedure regarding our performance system . We already state this in our job interviews. However performance evaluations are made by supervisors chiefs foremen and department heads in consultation with each other according to the unit where the personnel work and a joint decision is made. 2.Labor contracts have been updated. We do not offer bonuses. | 12-31-2024 | The factory is in progress to discuss internally and issue a policy | In Progress |
| F.7.1.6 | Employers shall not utilize nor shall they use employment agencies or intermediaries that utilize practices that restrict any worker's freedom of movement or ability to terminate their own employment or that create a threat of penalty. Examples of such practices include but are not using false information to recruit workers. | Does the factory recruitment agency or intermediary provide workers with fully accurate information during the recruitment process? | The factory's labor contract contains provisions that put workers in a disadvantaged position: 1. Article 10 states that the employees will compensate the damage caused to the company due to the breach of confidentiality agreement. 2. The contract states that if an employee's action or error causes monetary damages the employee must pay the damages up to 30 days of wages. If the employee is at fault for more than 30 days of wages the employer may terminate the contract unilaterally. 3. The contract states that workers should accept overtime work on official holiday or religious holidays rather than making all overtime voluntary. 4. The contract states that an employee can only question or object to issues with payment within 7 days after receipt of payment or else s/he loses the right. 5. The contract states that the employee agrees to work for the company at any location within Turkey. | Labor contract should be written to reflect actual practices in the factory ensuring freedom of movement clear explanation on wage increase/bonus and premium salary prohibition of deductions from salary voluntary overtime and clear definitions of the right to object or question the salary calculation. | 09-03-2024 | The factory already done the actions planned. | Completed |

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| HSE.1 | Employers shall comply with all national laws regulations and procedures concerning health safety and the environment. | Does it cover all risks and appropriate ways to eliminate and/or control hazards?Does the factory take all necessary steps to protect the environment from negative impacts?Does the factory separate hazardous and non-hazardous waste?Is the factory's solid waste storage area secure protected clean and sanitized?Does the hazardous waste collection area have the appropriate safety precautions?Is the wastewater/effluent treatment plant operating effectively? | 1. Solid wastes are kept outside the factory building without any labels marking or warnings. 2. The factory's waste area is not demarcated. In that area hazardous and non-hazardous waste are stored together. 3. The assessment found that factory's wastewater treatment system was not turned on. During the course of the audit the factory corrected this by turning the system on. | Waste should be stored properly into a designated area and managed by responsible personnel and accredited transportation companies. Wastewater treatment should be turned on at all times. | 1.A designated area has been made for waste. Waste is properly segregated in a designated area kept organized and managed by responsible personnel/accredited persons. Waste is received by authorized companies on a regular basis. 2.A designated area has been made for waste. Waste is properly segregated in a designated area kept organized and managed by responsible personnel/accredited persons. Waste is received by authorized companies on a regular basis. 3.The waste water treatment device is in operation. | 07-01-2024 | The factory already done the actions planned. | Completed |
| HSE.10.1 | Material Safety Data Sheets (MSDS) for all chemicals and hazardous substances used in the workplace must be available at the usage and storage sites of the chemicals and hazardous substances in the local language and the language spoken by workers if different from the local language. | Does the factory have a MSDS or SDS for all chemicals in the factory? | The chemical Madeira MSA 900 used in the embroidery section did not have a MSDS available. | MSDS documents for all chemicals used in the factory should be readily available in the appropriate language/s for worker's review when necessary. | Our embroidery department has closed. In the related area there is a modeling sample ironing and package section. The msds documents of the chemicals in other departments have been checked. | 07-01-2024 | The factory already done the actions planned. | Completed |
| HSE.13 | All necessary ventilation plumbing electrical noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility. | Are all electrical cord splices in good condition (without tape or other repairs?) | The assessment observed that in areas of the factory where no work was being done electrical wires were not insulated were unorganized and electricity panels were open posing electrical hazards. | Electrical wires should be kept insulated and organized and electricity panels should be kept closed. | The specified area is not energized in electrical panels and installations in terms of occupational health and safety. The right to use the area specified as empty floor does not belong to us and it is not possible to take action due to our move. Access to the unused area is blocked. The specified area is closed. The specified area is not currently in use by our company Merkoteks. There is no access. | 06-01-2024 | The factory already done the actions planned. | Completed |
| HSE.14.1 | All production machinery equipment and tools shall be properly guarded and regularly maintained. | Has the factory implemented a complete lockout-tagout maintenance safety system for all relevant equipment? | The factory did not have a lock-out and tag-out procedure available for review. | Implement a lock-out and tag-out procedure for maintenance. Provide a written procedure and training for relevant employees. | We have a procedure for locking and labeling. Implementation of the relevant procedure will be ensured. | 06-01-2024 | The factory already done the actions planned. | Completed |
| HSE.14.3 | Employers shall ensure safety instructions are either displayed or posted near all machinery or are readily accessible to the workers in language(s) spoken by workers. | Are safety instructions displayed or posted near machinery in workers' language(s)? | Individual electric switches are not identified and labeled on all electricity panels in the factory. | All electrical switches should be identified and indicated on the electricity panels. | Electrical installation project drawings were made. | 07-01-2024 | The factory already done the actions planned. | Completed |
| HSE.29 | Employers shall provide all necessary protection for workers when working at heights confined spaces and other high-risk areas. | Does each confined space have appropriate protections to ensure that there is no unauthorized entry including signs? | The list of personnel responsible/authorized for entering the restricted compressor room was not posted at the time of the assessment. | The responsible/authorized personnel list should be posted in front of compressor room. | Responsible/authorized personnel had posted in front of compressor room. | 07-01-2024 | The factory already done the actions planned. | Completed |
| HSE.4.1 | Employers shall at all times be in possession of all legally required and valid permits and certificates related to health safety and environmental issues such as: Purchase and storage of chemicals; Fire safety inspections; Machinery inspections; Waste disposal; Environmental licenses/permits;Sanitation permits including those required for canteens; and Vehicle inspection and driver permits for all employer provided transportation. | Does the factory have all legally required permits and certificates related to health safety and environment aspects? | The factory's operating permit/business license does not cover the lower ground floor of the building where the water booster is located. | Obtain an operating permit to cover all areas of the factory building. | Although it is not possible to obtain an operating permit to cover every area at the entrances and exits of the factory building necessary studies will be carried out. | 12-01-2024 | The factory is in progress to discuss internally and issue a policy | In Progress |

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| HSE.5.1 | All applicable legally required or recommended elements of safe evacuation shall be complied with including all of the following elements: posting evacuation plans; the installation and maintenance of fire alarms; the installation and maintenance of emergency lighting; ensuring aisles/exits are not blocked and that workers are not blocked within their workstations; employee education and training; and evacuation procedures and fire drills. | Are emergency exit/aisles sufficiently available? | 1. One of the emergency exit aisles between embroidery machines is not wide enough to allow for safe evacuation. 2. There is a glass window near the emergency exit door on the second floor in violation of local regulations. | Emergency exit routes should be accessible safe and clear for evacuation. No emergency exit doors should be nearby glass windows. | 1.The relevant unit was not continue its activities due to economic reasons. Our embroidery department has closed. Necessary occupational health and safety measures had taken before a new process is placed in the area used by that unit. 2.The window in the relevant area is closed. 3. | 08-01-2024 | The factory already done the actions planned. | Completed |
| HSE.7 | Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves eye protection hearing protection respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors noise dust) to health and safety hazards including medical waste. | Is PPE selected effective in protecting workers from identified hazards?Is PPE in good condition and replaced when needed? | 1. The pulley guard of one sewing machine was missing at the time of the assessment. 2. Two sewing operators were observed not using eye guards while operating machines. 3. Workers in the ironing and quality control sections and one sewing operator are not provided with ergonomic mats despite working in a standing position for their entire shift. | Factory should provide PPEs and proper machine guarding and enforce their use to ensure worker's safety. | 1.Factory had provide protective materials/PPEs and machine parts and has planned to ensure workers operate in safe. 2.Factory had provide protective materials/PPEs and machine parts and has planned to ensure workers operate in safe. 3.Workers in the ironing and quality control sections and one sewing operator has provided with ergonomic mats for their entire shift. | 06-27-2024 | The factory already done the actions planned. | Completed |
| HSE.8 | Workers shall be provided with training on the use and maintenance of personal protective equipment. Training shall be upon hire with periodic refresher training offered to all workers. Management will ensure use of PPE as necessary. | Is PPE consistently and effectively used by the workers? | The assessment found that personnel responsible for occupational health & safety in the factory are not aware of the importance of routine maintenance to ensure machine safety. | Protective machinery parts and equipments should be maintained properly. | Occupational health & safety in the factory are aware of the importance of routine maintenance to ensure machine safety. Vocational training has been provided to personnel who perform/will perform machine maintenance. There are maintenance forms for machines. Protective machine parts/equipment has been supplied. | 06-27-2024 | The factory already done the actions planned. | Completed |
| HSE.9.1 | All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner in accordance with applicable laws and international standards. | Do chemical storage areas meet all safety requirements (e.g. firefighting equipment alarm preventing unauthorized entrance)?Are the chemical storage areas properly ventilated clean well-organized and protected from weather heat sources anddirect sunlight?Are chemical tanks safely stored kept and maintained?Is the factory's hazardous waste storage area secure protected clean and sanitized? | In the washing department hazardous liquid chemicals are not kept in a restricted area. | All hazardous materials should be stored in a separate restricted area which is only accessible to authorized personnel. | All hazardous substances are stored in a chemical warehouse in a separate area accessible to authorized personnel. | 07-01-2024 | The factory already done the actions planned. | Completed |
| HOW.12.2 | The time at which annual leave is taken is determined by employers in consultation with workers taking into account work requirements and the opportunities for rest and relaxation available to workers. | The provision of annual leave is determined by employers in consultation with workersfor example through a leave committee? | The minutes of the factory's annual leave committee indicate that the factory did not make plans to ensure employees used all their annual leave days by the end of the year. The assessment found that all workers in the factory (322) have unused annual leave ranging from 10 to 47 days. | The annual leave committee should manage a yearly annual leave plan including by taking into account employees who have not completed their annual leave days from the previous year. | The annual leave committee would prepares an annual leave plan that takes into account employees who have not completed their annual leave days from the previous year. | 12-31-2024 | The factory is in progress to discuss internally and issue a policy | In Progress |
| HOW.2 | Workers shall be entitled to at least 24 consecutive hours of rest in every seven- day period . If workers must work on a rest day an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following. | Do workers receive at least 24 consecutive hours of rest in every seven day period? | Local law requires that workers receive at least 11 hours of rest between two shifts. This 11-hour gap was not provided for 7 out of 12 sampled workers in May 2024 and 4 out of 12 in April 2024 when they finished work at 10 p.m. | Control shift assignments start/stop times and overtime hours to ensure that employees are provided with at least an 11-hour rest period between two shifts. | The factory will ensure that employees are provided with at least an 11-hour rest period between two shifts. | 12-31-2024 | The factory is preparing an improvement plan | Planned |

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| HOW.20 | Employers shall have in place practices that conduct regular analysis of hours of work in their workplaces and procedures that demonstrate a commitment to progressively reducing excessive hours of work. | Is the factory production plan based on regular working hours (48 hours per week) only? (eg Production plans should not include overtime) | 1. Workers at the factory worked more than 11 hours per day on a regular basis. For example out of 12 sampled workers in May 2024 7 worked from 11.5 hours to 13-hours a day; in April 2024 4 workers worked from 12 to 15.5 hours a day. 2. In January 2024 1 worker worked overtime on a night shift totaling 10.5 hours on that day. Under local law night-shift work is limited to 7.5 hours per day. | Ensure that daily working hours are limited to 11 hours and that night shift work is limited to 7.5 hours per day. | 1.The factory will ensure that daily working hours are classified as a maximum of 11 hours. 2.Our factory does not have night shifts. | 12-31-2024 | The factory is preparing an improvement plan | Planned |
| HOW.21 | Other than in exceptional circumstances the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week. | Over the past 12 months have all workers' hours been kept under 60 hours per week? | Workers frequently work more than 60 hours per week at the factory. For example out of 12 sampled workers in May 2024 5 worked between 60.5 hours to 67 hours per week. In April 2024 1 worked 62 hours per week. In March 2024 1 worked between 60.5 hours to 63 hours per week. | | Working hours are controlled and weekly overtime will not be exceeded. | 12-01-2024 | The factory is in progress to discuss internally and issue a policy | In Progress |
| HOW.22.1 | Employers shall have in place policies for managing all working hour overtime and leave records in normal and exceptional circumstances. | Do the factories policies and procedures regarding Hours of Work meet all requirements outlined in local law and the FLA Code of Conduct? | The factory's Internal Overtime Regulation states that if work is not completed during regular working hours working overtime is the only solution demonstrating a lack of policies to manage working hours and overtime sustainably. | | Incorrect statements that are not in practice had been removed from the overtime regulation. | 06-27-2024 | The factory already done the actions planned. | Completed |