

## Monitoring summary report for FALCON TEXTILES

### MONITORING ID: 24-0281189



Monitored Party <b>FALCON TEXTILES</b>	amfori ID <b>586-001068-000</b>	Address <b>PLOT NO. A-29/A, MANGOPIR ROAD, S.I.T.E, 74000 KARACHI, Sindh, Pakistan</b>
Monitoring Activity <b>amfori Social Audit - Manufacturing</b>	Monitoring Type <b>Full Monitoring</b>	Monitoring Partner <b>ALGI International, Inc.</b>
Monitoring Start Date <b>18/10/2024</b>	Closing Meeting Finished Date <b>18/10/2024</b>	Submission Date <b>30/10/2024</b>
Expiration Date <b>30/10/2025</b>	Announcement Type <b>Semi Announced</b>	
Site <b>FALCON TEXTILES</b>	Site amfori ID <b>586-001068-001</b>	

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## OVERALL RATING



## SECTION RATING

PA1: Social Management System	<b>B</b>	
PA 2: Workers Involvement and Protection	<b>C</b>	
PA 3: The Rights of Freedom of Association and Collective Bargaining	<b>A</b>	
PA 4: No Discrimination, Violence or Harassment	<b>A</b>	
PA 5: Fair Remuneration	<b>B</b>	
PA 6: Decent Working Hours	<b>A</b>	
PA 7: Occupational Health and Safety	<b>D</b>	

PA 8: No Child Labour	<b>A</b>	
PA 9: Special Protection for Young Workers	<b>A</b>	
PA 10: No Precarious Employment	<b>A</b>	
PA 11: No Bonded, Forced Labour or Human Trafficking	<b>A</b>	
PA 12: Protection of the Environment	<b>B</b>	
PA 13: Ethical Business Behaviour	<b>A</b>	

## GENERAL DESCRIPTION

Name of lead auditor: Noman Habib; APSCA membership number CSCA 21703569.

Name of observers, translators, trainees, advisors/consultants: There were no observers, team auditor, translators, trainees, advisors/consultants participated in this audit activity.

Monitoring partner name: ALGI International INC.

Audit schedule details: The audit is planned for 1 auditor x 1 day and 1 auditor x 1.0 day.

Announcement Type:

This is a semi announced type audit which covered the overall factory premises area included all the floors, workers and production process such as cutting, stitching, quality checking, packing, dyeing, bleaching, printing, engraving, fabric finishing, folding, boiler, generator, air compressor, workshop, canteen and toilets.

Business partner information:

The factory "FALCON TEXTILES" was established in 2014. The total plot area of factory is 214260 square feet. This factory is located at Plot No. A-29/A, Mangopir Road, S.I.T.E, Karachi, Pakistan.

Factory does have cutting, stitching, quality checking, packing, dyeing, bleaching, printing, engraving, fabric finishing and folding.

Factory is the manufacturer of bed sheet, fitted sheet, comforter set and duvet set.

The NTN (National Tax Number) of factory is "06703887".

Opening Meeting:

The opening meeting started at 09:10 AM with Mr. Muhammad Bilal (Factory Manager), Mr. Fahad Ahmad (HR & Compliance Officer), Mr. Naeem Khan (Worker Council Committee In-charge) and Mr. Saqib Ullah (Health and Safety Committee In-charge) present commenced the audit process.

The auditor also explained and presented ALGI's Gifts and Gratuity letter to the facility management, where Miss. Muhammad Bilal (Factory Manager) agreed and signed the document.

They gave assurance that they're at the auditor disposal and proved so by providing all the necessary documents in time along with a separate room to conduct employees interview.

Overall, at the time of the facility visit, the attitude of the facility management was good.

Factory has obtained building stability certificate and approved map from the governmental approved engineer as per the legal requirement.

Factory provided PPEs as per the production process and define about the production process of the entire factory.

Audited location information:

The factory consists of 03 buildings and the layout are as follows:

Building 1:

Ground floor is occupied by security office, time office, fire hydrant pump room

First floor is occupied by security office.

Building 2:

Ground floor is occupied by dyeing section, bleaching section, printing section, finishing section, mechanic room, chemical room, R.O plant, boiler area, generator area, compressor room and washrooms.

Mezzanine floor is occupied by prayer area.

First floor is occupied by cutting section, stitching section, quality checking section, packing section, toilets, engraving section and rest of cutting, stitching, quality checking, packing, fabric store, printing, finishing, boiler are found non-operational and closed).

Second floor is occupied by canteen and warehouse.

Building 3:

Ground floor is occupied by chemical store and rest of area found non-operational closed under construction.  
First floor is found non-operational closed under construction.  
Second floor found non-operational closed under construction.  
Third floor found non-operational closed under construction.  
Fourth floor found non-operational closed under construction.

**Building ownership information:**

The factory currently possesses ownership of the present location.

**Operating shifts and hours:**

Office and Production (cutting, stitching, quality checking, packing and folding) employees working hours are 09:00 AM to 06:00 PM.

Security, boiler, generator, air compressor, dyeing, bleaching, printing, engraving and fabric finishing operated in three shifts. 07:00 AM to 03:00 PM, 03:00 PM to 11:00 PM and 11:00 PM to 07:00 AM.

All the office and Production (cutting, stitching, quality checking, packing and folding) workers took rest on Sunday.  
Security, boiler, generator, air compressor, dyeing, bleaching, printing, engraving and fabric finishing enjoys their weekly rest day on a rotational basis.

There are no peak and low season in the factory.

There is no sub-contracting utilized by the factory.

**Time recording system:**

Factory used thumb and face scanning time recording system for attendance.

**Salary payment details:**

Factory paid the salary within first week of every month through cash and bank transfer.

**Worker number information:**

There are total 50 employees included 48 male employees and 2 female employees in the factory.

There are total 50 workers in the factory with 40 production workers and 10 non-production workers.

10 permanent and directly hired workers were randomly selected from different production section for interviews. (Sampled periods from October 2023 to September 2024) on sample basis payroll records and time records of the month of September 2024 (Current paid month), February 2024 (random paid month) and October 2023 (Initial paid month) were reviewed. Moreover, attendance register, production records, product inspection report and broken needle register were reviewed by the auditor.

**Worker organization details:**

Factory does have a worker council committee instead of union, which is established through fair vote casting system. Worker council committee is responsible for conducting meeting after every three months to solve the issues related to workers.

There were special circumstances in the factory building.

There was an canteen facility provided to workers, although as per the local law local law is not applicable as per current workers strength.

There was no dormitory in the factory and there were not applicable as per local law

At the end of all the audit processes, a closing meeting was started by the auditor at 05:35 PM in the presence of with Mr. Muhammad Bilal (Factory Manager), Mr. Fahad Ahmad (HR & Compliance Officer), Mr. Naeem Khan (Worker Council Committee In-charge) and Mr. Saqib Ullah (Health and Safety Committee In-charge). The entire audit process, standard and scope were explained to the people present. The amfori BSCI code of conduct and the amfori BSCI holistic approach were both explained in detail.

#### Summary of findings:

There are some areas of improvement found in other performance areas such as PA1 Social Management System (1.1), PA 2 Workers Involvement and Protection (2.3), PA 5 Fair Remuneration (5.4), PA 7 Occupational Health and Safety (7.1, 7.6, 7.7, 7.11, 7.13, 7.14 and 7.22), PA 10 No Precarious Employment (10.2) and PA 12 Protection of the Environment (12.2 and 12.4).

Mr. Muhammad Bilal (Factory Manager) and Mr. Naeem Khan (Worker Council Committee In-charge) agreed and signed the summary of findings.

#### Attitude of factory management:

The factory management was receptive and extended their full support throughout the audit process. They showed a positive attitude towards the compliance requirements.

#### Living wage calculation:

Factory has not calculated basic living wage for their employees; however, the data of Basic Living Wage calculation are selected by the auditor through the Global Living Wage Coalition- GLWC website as a benchmark of the Satellite Cities, June, 2023; The current living wages is 43709 PKR. The auditor was unable to compare the result of the calculation, as the auditee has not calculated the BLW.

There are some mandatory attachments, which are not applicable in this audit.

Collective bargaining agreement, government waivers, inconsistency between time and production records, photos of dormitories and remediation of the previous findings.

SITE DETAILS

Site  
FALCON TEXTILES

Site amfori ID  
586-001068-001

GICS Classification

Sector Consumer Staples	Industry Group Household & Personal Products	Industry Household Products
Sub Industry Household Products		

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

## METRICS

### Key Metrics

Total workforce	50	Workers
Legal minimum wage in local currency	32,000	Monthly
Lowest wage paid for regular work at the site	32,000	Monthly
Calculated living wage in local currency	43,709	Monthly
Total sample	10	Workers

### Other Metrics

Male workers	48	Workers
Female workers	2	Workers
Non-binary workers	0	Workers
Permanent workers - Male	48	Workers
Permanent workers - Female	2	Workers
Permanent workers - Non-binary	0	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Temporary workers - Non-binary	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Seasonal workers - Non-binary	0	Workers
Management - Male	4	Workers
Management - Female	0	Workers
Management - Non-binary	0	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Apprentices - Non-binary	0	Workers
Workers on probation - Male	0	Workers
Workers on probation - Female	0	Workers
Workers on probation - Non-binary	0	Workers
Workers with night shift - Male	18	Workers
Workers with night shift - Female	0	Workers
Workers with night shift - Non-binary	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Workers with disabilities - Non-binary	0	Workers
Domestic migrant workers - Male	0	Workers
Domestic migrant workers - Female	0	Workers
Domestic migrant workers - Non-binary	0	Workers
Foreign migrant workers - Male	0	Workers

Foreign migrant workers - Female	0	Workers
Foreign migrant workers - Non-binary	0	Workers
Workers hired directly - Male	48	Workers
Workers hired directly - Female	2	Workers
Workers hired directly - Non-binary	0	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Workers hired indirectly - Non-binary	0	Workers
Unionised workers - Male	0	Workers
Unionised workers - Female	0	Workers
Unionised workers - Non-binary	0	Workers
Workers under CBA - Male	0	Workers
Workers under CBA - Female	0	Workers
Workers under CBA - Non-binary	0	Workers
Pregnant workers	0	Workers
Workers on parental leave - Male	0	Workers
Workers on parental leave - Female	0	Workers
Workers on parental leave - Non-binary	0	Workers
Sample - Male	9	Workers
Sample - Female	1	Workers
Sample - Non-binary	0	Workers



## FINDINGS

### PA1: Social Management System

Site: FALCON TEXTILES | Site amfori ID: 586-001068-001

**Question:** 1.1 Is there satisfactory evidence that the auditee has set up an effective management system to implement the amfori BSCI Code of Conduct?

#### ENGLISH

##### Finding

It was noted through documents review and management interviews that factory management has developed an internal social compliance management system which includes procedure, policies, trainings, Internal audits, inspections, MRM (Management Review Meeting), etc. However, there are some areas of improvement identified on implementation in the performance areas of Social Management System PA 1, PA 2: Workers Involvement and Protection, Fair Remuneration PA 5, Occupational Health and Safety PA 7, No Precarious Employment PA 10 and Protection of the Environment PA 12.

This is partially in compliance with BSCI COC, because factory has developed list of policies and procedure as per the requirement of local law and BSCI COC and factory management has fully implemented system into rest performance areas.

### PA 2: Workers Involvement and Protection

Site: FALCON TEXTILES | Site amfori ID: 586-001068-001

**Question:** 2.3 CRUCIAL: Is there satisfactory evidence that the auditee takes specific steps to make workers aware of their rights and responsibilities?

#### ENGLISH

##### Finding

It was noted during documents reviews and workers interviews that factory has trained their employees upon company social policies and benefits and the last training provided on 2nd April 2024. However, it was noted during workers interviews that 03 out of 10 (30%) sampled workers were found not aware with their insurance scheme (life insurance), social security benefits, EOBI (Employee Old Age Benefits Institution), Leaves (casual and sick) and local legislation.

This is not in compliance with Local law reference: The Industrial Relations Act, 2013., Because the factory provided training on company social policies and benefits to its workers, however 03 out of 10 sampled workers were not aware of their legal rights, therefore this finding was is rated as partially.

### PA 5: Fair Remuneration

Site: FALCON TEXTILES | Site amfori ID: 586-001068-001

**Question:** 5.4 Is there satisfactory evidence that the auditee provides sufficient remuneration that allows workers to meet a decent standard of living?

#### ENGLISH

### Finding

It was noted during documents reviews and management interviews that factory has not calculated Basic living wages for their employees, although company has paid minimum wages according to local law 32000 PKR; However auditor followed the Global Living Wage Coalition- GLWC website as a benchmark for data selection and noted that all the sampled employees in three sampled months (September 2024, February 2024 and October 2023) are found to be paid below the BLW (basic living wage) 43709 PKR according to Global Living Wage Coalition- GLWC website as a benchmark. Although all the sampled workers found earned minimum wage 32000 PKR per month as per legal requirement. This is not in compliance with BSCI COC requirement and management found unaware with the requirement of BLW. Therefore, this finding rated as "No".

## PA 7: Occupational Health and Safety

Site: FALCON TEXTILES | Site amfori ID: 586-001068-001

**Question:** 7.1 Is there satisfactory evidence that the auditee observes occupational health and safety regulations applicable for its activities?

### ENGLISH

#### Finding

It was noted during factory visit, documents review and management interviews that, the auditee partially maintain a good Health and safety system in the workplace. However, the implementation found is not fully in compliance with requirements of the local law as there are some gaps identified in occupational health and safety awareness i.e., Personal Protective Equipment, Chemicals, Accident and Emergency Procedures, Electricity, Fire Protection, Workplace and Social Facilities, including housing when provided by the auditee. There is observed that the facility management did not have full monitoring of the management system on site, aiming to minimize the risk of non-compliance with the local H&S regulations. There is not found to have sufficient cooperation between management and workers, when developing and implementing systems towards ensuring OHS (Occupational Health and Safety) (as per BSCI COC). This finding is rated as partially because the factory did not comply with applicable local law requirement in questions 7.6, 7.7, 7.13 and 7.22, but most of the areas of OHS found compliant and factory has implemented the OHS system as per the legal compliance such as installed outward emergency exit doors, proper aisles marking, clean drinking water, first aid boxes with sufficient medical supplies and etc.

**Question:** 7.6 Is there satisfactory evidence that the auditee enforces the use of PPE to provide protection to workers alongside other controls and safety systems?

### ENGLISH

#### Finding

It was noted during factory visit and workers interviews that:

- 1) Three out of six workers working in printing section in building 2 on ground floor were found not wearing appropriate PPEs such as respiratory masks, rubber gloves, aprons and goggles.
- 2) Two out of two workers in cutting section on first floor and one out of five workers working in stitching section on first floor in building 2 were found with barefoot instead of closed toe shoes slippers this can increase the risk of injury while working.
- 3) Canteen workers on food serving counter were found not wearing PPEs such as gloves, facemask, hat

## Finding

and aprons.

This is partially in compliance with local law Sindh factory rules 1975: Safety of Employees 34, THE Sindh Factories Act, 2015 Sindh Act No. XIII OF 2016 CHAPTER-III Health and Safety 18. Dust and fume (1), although rest of the workers although rest of employees working in other departments were found wearing appropriate PPEs and all the workers stated that factory provided PPEs as per job requirement on daily basis and workers demands without any charges, which is stated that factory management has implemented the system related to PPEs in this regard this finding rating selected as Partially.

**Question: 7.7** Is there satisfactory evidence that the auditee implements engineering and administrative control measures to avoid or minimise the release of hazardous substances into the work environment, keeping the level of exposure below internationally established or recognised limits?

## ENGLISH

### Finding

It was noted during factory visit that:

- 1) No spill kit and eyewash station were found in the factory.
- 2) Chemical drums found stored in an inappropriate secondary containment and MSDS not posted along with chemical drums in dyeing bleaching section on ground floor in building 2 and one oil can and two oil drums found stored without secondary containment and MSDS in generator area on ground floor in building 2.

This is partially in compliance with local law GOVERNMENT OF SINDH ENVIRONMENT PROTECTION AGENCY NOTIFICATION: Hazardous Substances Rules, 2014. 9. Packing and labeling.- because factory has put the effort and manage the chemicals safety into the factory and rest of chemical drums / cans and oil drums were found compliant as per the local law requirement, therefore this finding is rated as partially.

**Question: 7.11** Is there satisfactory evidence that the auditee confirms that the equipment and buildings used for production are stable and safe?

## ENGLISH

### Finding

It was noted during factory visit that

- 1) Cracks were found on pillar and beam outside building 2 near air compressor room on ground floor.
- 2) Visible structure damage was found in finishing section on first floor in building 2.

This is partially in compliance with BSCI COC, because factory has obtained building stability certificate and approved map from approved engineer / governmental authority and as well factory has found maintained rest of the walls, beams, rest of the pillars and roof as per the compliance requirement and there were no major / critical building safety issue found in the factory. Therefore this finding is rate as partially.

**Question: 7.13** Is there satisfactory evidence that the auditee makes sure a competent person periodically checks the electrical installations and equipment?

## ENGLISH

### Finding

It was noted during factory visit that:

- 1) No rubber mat was found beneath under generator main electrical control panel in building 2 on ground floor.
- 2) Unsecured electrical breakers and broken switchboard with unsecure wires found in generator area on ground floor in building 2.
- 3) Unsecured electrical breakers found with fluff, loose and unsecure wires in waste storage area in building 2.
- 4) One electrical panel found without ebonite sheet in engraving section on first floor in building 2.
- 5) One bracket fan found connected with loose wire connection in canteen on second floor in building 02 and one loose wire connection found in folding section on ground floor in building 2.

This is partially in compliance with local law requirement Electricity rules 1937, 49. Construction, insulation and earthing of apparatus. (1). Although majority of the electrical panels, electrical equipment, electrical wirings and electrical installation found as per the legal requirement which confirms that factory management is implemented the system as per legal requirement but there are some electrical issues found in the factory that is why this finding rated as partially.

**Question: 7.14 CRUCIAL:** Is there satisfactory evidence that the auditee has installed an adequate amount of properly working firefighting equipment?

### ENGLISH

### Finding

It was noted during factory visit that:

- 1) One out of five fire extinguishers found partially blocked by cartons and packed goods in quality checking and packing section on first floor in building 2.
- 2) Two out of eight fire extinguishers found blocked by chemical cans, iron rods and waste material in processing department on ground floor in building 2.

This is partially in compliance with BSCI COC, because rest of fire-fighting equipment found compliant and clear from all the obstacles, and installed all the required fire fighting equipment such as fire buckets, smoke detectors, fire alarm call point, fire hose reel and fire hydrant pump as per the local law and BSCI COC requirement. Therefore this finding rated as partially.

**Question: 7.22** Is there satisfactory evidence that the auditee provides workers with clean washing facilities, changing rooms and toilets that are also respectful of local customs?

### ENGLISH

### Finding

It was noted during factory visit that:

- 1) Male workers washrooms found uncleaned and unhygienic on ground floor in building 2.
- 2) No flush system was found installed in three out of eight male workers washrooms on ground floor in building 2.
- 3) Soap and tissue/towel hand drying facility found not provided at hand washing point near male workers washroom on ground floor in building 2.

This is partially in compliance with SIND FACTORIES RULES 1975 Provision for Washing Accommodation

### Finding

and Latrines and Urinals (Section 21) 43, although rest of the washrooms were found maintained as per local law such as clean, hygienic and equipped with soap, towel and flush systems, therefore this finding is rated as partially.

## PA 10: No Precarious Employment

Site: FALCON TEXTILES | Site amfori ID: 586-001068-001

**Question:** 10.2 Is there satisfactory evidence that the auditee engages workers based on recognised and documented employment relationships?

### ENGLISH

#### Finding

It was noted during factory visit and workers interviews that employment cards were not provided to 03 out of 10 (30%) sampled workers at the time of their employment and during the employment in the factory.

This is partially in compliance with local law requirement THE SINDH TERMS OF EMPLOYMENT (STANDING ORDERS) ACT, 2015.2. Cards. (1). Factory management has issued employment cards to their majority of workers which is stated that factory management has implemented the system related to Precarious Employment, so in this regards this finding is rated as partially.

## PA 12: Protection of the Environment

Site: FALCON TEXTILES | Site amfori ID: 586-001068-001

**Question:** 12.2 Is there satisfactory evidence that the auditee has procedures in place to ensure integration of local environmental law into the business model?

### ENGLISH

#### Finding

It was noted during factory visit, documents reviews and management interviews that factory has developed policies and procedure as per the local law requirement and factory has contracted with third party waste collecting company to collect the waste (Hazardous and Non-hazardous) from the factory on monthly basis and Management is aware of environmental local law requirements, policies, and procedures. However factory has not installed Effluent Treatment Plant (ETP) in the factory to treat waste water generated from dyeing, bleaching/printing section and the issue highlighted under PA 12.4, indicating a lack of an integrated system for environmental protection.

This is partially in compliance with Sindh Environmental Act 2014 section PART-V PROHIBITIONS AND ENFORCEMENT 11, because factory has developed a series of initiatives for environmental protection but not meeting the requirement of waste storage area. Therefore, this finding is rated as partially.

**Question:** 12.4 Is there satisfactory evidence that waste is managed in a way that does not lead to the pollution of the environment?

## ENGLISH

### Finding

It was noted during factory visit, documents reviews and management interviews that factory has not installed Effluent Treatment Plant (ETP) in the factory to treat their waste water of dyeing, bleaching/printing before discharge into the natural drain.

This is partially is compliance with local law Local law Reference: Sindh Environmental act 2014 section PART-V PROHIBITIONS AND ENFORCEMENT 11. Although factory has developed waste storage area, waste controlling policy and procedure and all the workers found aware their waste controlling procedures, therefore this finding is rated as partially.