

SEVERE CASE EVALUATION SCHEME



English Version

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1 INTRODUCTION AND SCOPE

As laid out in Chapter 1.5 of the Supplier Agreement and Chapters 2.3, 2.6 and 2.8 of the Port International Supplier Code of Conduct, Port International GmbH and its subsidiaries (hereinafter referred to as “Port”) have defined certain incidents and developments within their supply chain as “Severe Cases”. Port’s Severe Case policy — including the prevention, identification and remediation of potential non-compliances and Severe Cases — forms part of its overall human rights due diligence framework and commitment towards international standards.

Severe Cases are critical findings, identified at production sites in the Port supply chain, that present significant risks to human and environmental rights. Such cases require immediate attention from the respective producer and/or the business partner. Port maintains a remediation process for Severe Case findings and requires its business partners to do the same. Where necessary, Port will impose consequences on the producer and/or the business partner.

This document outlines Port’s understanding of what constitutes a Severe Case, and expectations towards business partners regarding monitoring, communication, and remediation. To proactively address Severe Cases, Port expects its business partners to implement due diligence mechanisms to prevent, identify and remediate Severe Cases throughout their supply chains.

Port is committed to a strategy of continuous improvement and cooperation in its supply chains. Transparency on the part of business partners and producers will always be viewed favourably.

Please note that this document serves to clarify Port’s existing requirements and to guide business partners on how to comply with them. It does not set out any additional legally binding requirements beyond the Supplier Agreement and the Supplier Code of Conduct.

2 IDENTIFICATION AND REPORTING

2.1 IDENTIFICATION BY PORT

Severe Cases and Severe Crises can be identified and/or reported to Port through various channels, including the following:

- During site visits of Port International representatives
- Via 3rd party audits and certifications
- Via the Port International Trust Channel
- Via NGOs/ Media reports
- Through direct reporting by 3rd party organizations (e.g., amfori, Sedex etc.)
- Through direct and proactive reporting by business partners, if, for instance, they are identified during internal audits or visits.

2.2 PROACTIVE REPORTING AND REMEDIATION BY BUSINESS PARTNERS

Business partners are obligated to proactively inform Port about any Severe Case of the types described in Chapter 3 of this document occurring, or suspected to have occurred at any site where Port production is taking place or has taken place.

The business partner must comply with the following requirements in case of any incidents of the types outlined in Chapter 3 while demonstrating transparent and cooperative behaviour and maintaining communication with Port in a consistent and timely manner:

- If an instance of a Severe Case is identified, the business partner is responsible for alerting Port by reaching out to the relevant Port emergency contact within two business days.
- Severe Crises must be communicated immediately, defined as all urgent Severe Cases comprising
 - industrial accidents (e.g., building collapse or production site fire), workers striking or protesting, instances or suspicion of forced or child labour, production facility closure due to security reasons, that have occurred, and the incident has led or will likely lead to deaths and/or severe injuries, or
 - other incidents that result or will result, with a reasonable degree of certainty, in a high level of NGO and media attention
- The business partner must appoint a member of their staff as the main contact person for Port communication and requests
- The business partner must proactively and immediately deliver information to Port, not only on request. This information must contain contract specifications of affected production, any available and relevant background information, results of own assessments and investigations related to the incident
- The business partner will be required to cooperate in appropriately remediating the Severe Case findings or addressing the Severe Crisis
- Where one or more individual people are directly impacted (in addition to the case findings in general) - as is the case with, for instance, delay and underpayment of wages; child labour; forced labour; or coercion, harassment and violence, or discrimination - a remediation process in favour of these individuals needs to be implemented as quickly as possible.
- In investigating and remediating potential findings, the business partner must engage in the coordination of their own crisis management measures with Port, its remediation partners, and any

other parties involved in the identification, investigation and remediation of Severe Cases and Severe Crises.

- The business partner may be required to financially contribute to the investigation and remediation process.

Port values any proactive reporting from business partners. Open and sincere communication on the part of the business partner will be assessed positively, including in the consideration of consequences imposed in specific cases. However, failure to comply with these requirements may lead to consequences being imposed on the business partner. Please refer to chapter 2.9 of the Supplier Code of Conduct for more details.

2.3 EMERGENCY CONTACT

In case of the occurrence of any Severe Case as defined in the subsequent chapters, the business partner must use the Port International Trust Channel as described in chapters 2.3 and 2.9 of the Supplier Code of Conduct. Every report will only be visible to Port's trained CR Team and will be treated highly confidentially. The CR Team may ask for additional information and will give further instructions for remediation procedure.

The business partners must provide details on:

- Date of the finding(s)
- Nature of the finding(s)
- Name of the affected production site
- Steps already undertaken by the business partner
- Key business partner contact for remediation, including email and phone details

3 EVALUATION CRITERIA

This section provides further explanation on the Severe Cases outlined in Port International's Supplier Code of Conduct. Each subchapter will include a definition of the main Severe Case type, along with subtypes and non-exhaustive example scenarios, where applicable. If these Cases have been identified, the procedures stated in the Supplier Code of Conduct apply (see Supplier Code of Conduct, Chapters 2.3, 2.6, and 2.8).

3.1 LIMITED CREDIBILITY, ILLEGALITY AND NON-TRANSPARENCY

3.1.1 Manipulation of audits, inspections and other third-party verifications

All scenarios where suppliers attempted to influence audit results or external inspections' outcome illegitimately.

Examples:

- The social audit was not completed in full due to an intentionally obstructive practice (e.g., the auditor was fully or partially denied access to relevant documents or areas of the site, permission to interview workers, etc.)
- Social audit completed in full, but management deliberately attempted to hinder the audit process, e.g., by trying to hide or divert visitors away from certain parts of a production site during a visit, audit, or assessment; or denying access due to patents and other confidential information, but the legitimacy of these claims cannot be verified by suitable evidence.
- Management refused union / worker representative involvement in the audit
- Evidence that worker numbers differ significantly from previous declarations or that workers were coached to mislead the auditor, or denied the ability to speak freely
- Falsified, duplicate or intentionally incomplete records including verified inconsistencies (especially records of wages, overtime payment, working hours, or health & safety training records)
- Evidence that auditor was threatened or offered a bribe or other inducement to be dishonest

3.1.2 Non-transparency, non-traceability and unauthorized subcontracting

All scenarios where suppliers are unable to trace the supply chain, chain of custody or first distributor of a product on the respective market due to a lack of the requisite certification and documentation.

Examples:

- The traceability back to the origin could not be verified due to a lack of requisite documentation
- The identities of companies within supply chains (including grower supply chains) could not be identified
- Chain of custody certification and farm certification could not be verified
- The business partner provides inaccurate information about product or material origin
- One production site was approved and specified in the contract, but the order is partially or fully produced at another production site
- Only one production site name is specified in the contract, but the order is partially or fully produced in other main production facility/-ies within the same building or compound which houses several production facilities, for example, on different floors
- Orders are partially or fully produced in main production facilities belonging to the same group but not specified in the contract.
- Subcontracting to independent production sites without legal affiliation with the production site specified in the contract, e.g. spot-market purchases or facilities which are part of an informal sector.

3.1.3 Non-confirmed legality or verified breaches of applicable law

All scenarios where production sites do business without the requisite official licenses (either the production site itself, as well as to additional illegal and unlicensed facilities and warehouses separate from the main production site) and confirmed breaches of local law.

Examples:

- Business premises are informal and not registered (law enforcement or other agencies would find it difficult to locate the business)
- Site is operating without all required in-date licences and permits (e.g. business / factory licence has expired)
- Evidence of prosecutions / fines to site for breaking laws / regulations that have not been remediated or appealed within the stipulated timeframes

3.2 FREELY CHOSEN EMPLOYMENT

All forms of forced labour are strictly prohibited in Port's supply chain. Forced labour is defined by ILO Convention No. 29 as all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered themselves voluntarily. It includes bonded, indentured, trafficked, or non-voluntary labour, along with all forms of slavery or servitude.

3.2.1 Forced Labour/Slave Labour

All scenarios where workers are made to provide labour without having given free and informed consent.

Examples:

- Evidence of forced labour, human trafficking, debt bondage / bonded labour or other form of modern slavery at supplier or subcontractor level
- No / inadequate systems (or measures) in place to identify and prevent various forms of modern slavery or human trafficking within own operations
- Workers are led to believe that if they do not comply with what is being asked of them, they or their family will be subject to negative physical, social or financial consequences
- Workers are controlled through threats, penalties, coercion, physical force, or harsh or inhumane treatment
- Workers are coerced to fraudulently claim social security benefits and/or take out loans/credit arrangements

3.2.2 Debt or wage entrapment

All scenarios where workers are forced into labour by debt or wage entrapment.

Examples:

- Workers cannot leave employment until they have worked to pay off debts owed to the employer / labour broker or other intermediary / third party connected to their recruitment or employment
- Workers are unable to pay off debts owed to the employer / labour broker or other intermediary / third party connected to their recruitment or employment due to inflated interest rates on loans, unreasonable payment terms or similar
- Workers are not in control of their own bank accounts, e.g. their wages are paid into someone else's account

- Practice of wage withholding, imposing financial penalties, forced savings or other financial schemes denies workers the opportunity to leave or change employers until after a specified period / length of service
- Forced savings programs are in place and workers do not have access until term of work is complete
- Legally required payments to workers are not paid if worker does not complete a set period of work
- Loans exceed the legally allowed maximum limit

3.2.3 Deceptive recruitment and termination conditions

All scenarios where workers cannot freely enter or resign (provided that reasonable notice is given to the employer).

Examples:

- Recruiter or employer employs coercive recruitment practices, which physically or psychologically control the worker during recruitment
- Workers were given false, misleading, or incomplete information at the point of recruitment (e.g. regarding wages and working conditions, or the type of work, housing and living conditions, acquisition of regular migration status, job location, identity of the employer etc.)
- Original contract terms have been changed or replaced with less favourable terms for the worker without the worker's knowledge or consent (i.e. contract substitution or supplemental agreements)
- Job adverts (particularly for jobs requiring migration) are misleading about the job, job location, employer, working conditions, employment contract terms, wages or earnings
- Probation period required from the worker is contrary to law
- Undocumented migrant workers have been subjected to threats of being returned to their home country and/or reported to authorities if they leave employment
- Workers are required to pay fees upon early termination of employment (or fail to receive money owed, e.g. security deposits)
- Workers cannot terminate their contract until after a specified period of time has passed after mandatory training
- Migrant workers recruited to work at the site are required to pay for return travel to their home country
- Notice period required from the worker is contrary to law

3.2.4 Restricted Freedom of Movement

All scenarios where workers are not allowed to leave the production site or dormitory at any time during and after working hours.

Examples:

- Workers' movements are controlled by the employer, an agent or other third party
- Workers are restricted from freely leaving or re-entering the workplace and/or living accommodation beyond what is necessary for safety/security (or without lodging a deposit, obtaining permission, etc.)
- Workers are restricted from taking toilet breaks
- Workers are under constant or excessive surveillance (particularly human but also electronic, such as CCTV cameras) for the purpose of intimidation or control
- Workers are required to stay in specific housing, such as one controlled by the company or broker / intermediary

3.2.5 Retention of ID Papers and Isolation

All scenarios where workers do not have free and unrestricted access to their essential possessions or are restricted in contacting the outside world.

Examples:

- Workers do not have free and unrestricted access to their original identification or travel documents (e.g. passports)
- Workers do not have free and unrestricted access to their valuable personal possessions / feel that they cannot leave the job without risking their loss
- Workers are isolated / have no means of contacting the outside world because of a practice enforced on them (e.g. confiscation of mobile phones or other communication devices)

3.2.6 Forced Overtime

All scenarios where workers do not have the right to refuse overtime.

Examples:

- Overtime is compulsory contrary to local law or collective bargaining agreement
- Overtime is compulsory within the parameters allowed by law or collective bargaining agreement, but there is at least one other compounding factor (it is out of fear of harm; result of being threatened; without any right of refusal; or in order to earn at least minimum wage)

3.2.7 State imposed and Prison Labour

All scenarios where state-imposed labour or prison labour is used. Prison labour means work that takes place in penal institutions or is performed by incarcerated or detained people. This applies to private as well as state-run institutions. State-imposed forced labour means all forms of work where indeed otherwise free citizens who are coerced to perform specific work by national or local authorities without any reasonable possibility of refusal.

Examples:

- Penal institutions serving as main production facilities, pre-production facilities or subcontracted facilities to produce Port goods
- Detained people assigned to work in factories or farms on a temporary basis
- People are mandated by the government to work in farms or on factories

3.3 CHILDREN AND YOUNG WORKERS

The term “Child Labour” is defined by the ILO as “work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development”, whether through direct danger or harm, or through interference with schooling.¹

¹ [What is child labour | International Labour Organization](#)

3.3.1 Child Labour

All occurrences of child labour and inadequate management to handle risks effectively. "Child labour" refers to any person engaged in non-light work who is under the minimum working age as defined by national laws, or less than 15 years, whichever is most stringent.²

Examples:

- No / inadequate risk assessment conducted regarding child and young workers
- No process in place requiring age verification and records maintenance
- Management and staff are not aware of the laws on minimum age of employment or parameters for young workers, apprenticeships, student workers, etc.
- Contracts for young workers not sanctioned by the proper authorities (registered / approved by relevant authority; signed by parent/legal guardian as per legal requirements)
- Evidence of individuals under the legal working age engaged in work
- Unsubstantiated evidence of individuals under the legal working age engaged in work (e.g. child fleeing site)
- Evidence of individuals under the legal working age onsite but not working
- Underage workers are dismissed without remediation
- Childcare facilities are not provided contrary to legal requirements or significantly compromise children's safety (e.g. through inadequate emergency preparedness and procedures, building safety issues including location of the childcare facility, inadequate security measures, or exposure to maltreatment)
- Repeated findings of historical child labour

3.3.2 Young Workers

All scenarios where juvenile workers are working in hazardous conditions. Juvenile workers are children who have reached the minimum working age but are under 18. Hazardous work is any kind of work that might be prejudicial to a person's health, safety, morals and development.

Examples:

- Instances of workers under 18 working in dangerous or unhealthy conditions (could lead to death, injury or illness as a result of poor safety and health standards (e. g. handling dangerous machinery, equipment and tools, and moving heavy objects, exposure to toxic chemicals, extreme temperature or noise; insufficiently ventilated or dangerous working environments, such as underground, under water, at dangerous heights or in confined spaces)
- Instances of workers over the legal minimum age but under 18 working at night or excessively long hours
- No health examination for young workers as per legal requirement
- Apprentices / trainees / vocational workers are employed under terms and conditions contrary to law

² U.S. law sets 14 years of age as the minimum age for employment; limits the number of hours that can be worked by children ages 14 and 15; and permits children who are below the age of completion for compulsory schooling to work. Many U.S. states have enacted child labour laws as well. As it relates to a supplier's U.S.-based workers, as long as the supplier complies with both U.S. and applicable state laws with respect to child labour, and as long as the employment of the child does not interfere with the child's schooling, the supplier will be deemed to be in compliance with the child labour provisions in these Guidelines.

3.4 COERCION, HARASSMENT AND VIOLENCE

All confirmed instances of physical and corporal punishment, harassment and violence.

Examples:

- Workers are disciplined with corporal punishment
- Disciplinary procedures and/or penalties are inappropriate or excessive (e.g. workers are threatened with removal of privileges, assignment of extra work etc.)
- Records of disciplinary cases are incomplete or missing
- Management threatens as a punitive measure to deny workers their' basic rights to wages, benefits, or access to medical care or to withhold basic necessities such as food, clean water or sanitation
- Sexual harassment, including unwelcome sexual advances, requests for sexual favours, sexual blackmailing, inappropriate jokes, insults or insinuations, or other verbal or physical contact of a sexual nature
- Physical or psychological harassment, violence, abuse or bullying, e. g. comments made about a person's physical appearance, character or personal characteristics which cause embarrassment or distress, or low-level verbal abuse (e.g. shouting or swearing)
- Improper bodily searches (e.g. pat down search) or strip searches conducted
- Unwelcome attention such as spying, stalking, pestering, overly familiar behaviour or unwelcome verbal or physical attention

3.5 REGULAR EMPLOYMENT

3.5.1 Terms of Employment/Engagement

All scenarios where terms of employment and engagement practices violate local law or basic workers' rights.

- Systemic occurrence of no contracts / letters of appointment in place
- Systemic occurrence of workers not being given a copy of their contracts or letter of appointment (including digital copy)
- Inadequate contracts in place, i.e. missing critical elements such job description, wages (regular and overtime), hours of work (including overtime), notice period, missing worker signature, no minimum hours contrary to local law, applying to more than one individual worker
- Contracts of employment changed without communication or facility imposing additional terms or requirements on worker without their knowledge and consent (contract substitution / supplemental agreements)
- Workers are required to sign blank papers, resignation letters etc.
- Contractual terms are not clearly communicated prior to recruitment in a language the worker can understand
- Labour contracts not authenticated or registered by / with the local labour bureau where it is a legal requirement
- Information about internal rules and regulations is not available e.g. by providing handbooks or terms & conditions for workers and it is a legal requirement
- Production is being outsourced to sub-contractors in contravention of customer requirements (e.g. prior authorisation has not been sought where applicable)
- Site does not have correct legal licences for employment of agency / dispatch workers
- Agencies / labour providers / contractors used do not hold legally required license to operate as a labour provider

- Agency workers not receiving the same benefits as permanent employees, and this is contrary to law
- Site does not have an adequate system to assess the compliance of agency workers' terms of engagement/employment
- No system in place to monitor sub-contractors' conformance with social/ethical standards or system is missing crucial elements e.g., wages and hours, child labour, safety, forced labour

3.5.2 Violation of the Employer Pays Principle

All scenarios where workers must carry costs related to their recruitment.

Examples:

- Workers incur fees, legal or otherwise, during the recruitment process (e. g., administration, travel and insurance needed for moving to and living and working in their destination country, market rate exceeding rents for lodging, medical costs or work equipment)
- Workers are required to lodge deposits (financial or personal documents) for employment

3.5.3 Precarious employment

All scenarios where terms of employment and engagement practices lead to severely precarious employment.

- Systemic occurrence of unreasonable terminations (no evidence of discrimination)
- Occurrence of agency, subcontracted or temporary workers being requested then turned away at the beginning of the day without pay
- Excessive and repeated use of agency, subcontracted or temporary labour used to replace regular employment
- Temporary workers are systematically fired and rehired in order to avoid obligations related to continual employment
- Legal restrictions on the use of temporary labour are contravened, for example the frequency, extent or duration of use
- Total number or percentage of the workforce that are apprentices / trainees exceed legal limits
- Apprentices used but without any real intent to impart skills or provide regular employment

3.5.4 Entitlement to work

All scenarios where engagement practices do not sufficiently prevent illegal employment.

- Workers engaged in work without the legal right to work
- No process or system established to monitor if workers have right to work
- Inadequate process or system to monitor if workers have right to work (e.g. does not include non-employee workers such as agency / temporary workers)
- Right to work could not be verified due to lack of documentation

3.6 FAIR PAYMENT

Any systematic failure (i.e. consistent and deliberate, rather than due to technical or human error) to comply with local, national and regional laws around wage payment of workers involved in production of Port products.

Examples:

- No payroll records available on date of audit

- Unable to verify wages due to missing/ incomplete/ inconsistent records
- Systematic failure to provide payslips with complete, accurate and understandable information to workers
- Systemic instances of employees working without payment, being paid less than the legal minimum wage, or being paid below contracted rates
- Payment in kind (e.g. payment of wages in goods or services instead of cash) as part of wages is in excess of legal limits
- Incidents of wages not paid on time, payments being delayed upon termination, or being paid at frequency contrary to law
- Deductions are made from wages without workers' written permission, and these are not legally mandated
- Pay systemically deducted for disciplinary measures (e.g. lateness, absenteeism, disciplinary warnings, errors in production etc.) or as charge for Personal Protective Equipment (PPE) or other essential work-related items
- Failure to provide/pay workers with legally required leave entitlement (e.g. annual, maternity, paternity, sick leave)
- Workers are unreasonably restricted from taking the leave which they are entitled to by contract
- Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid
- Failure to retain records of all required social insurances
- Regular practice of delayed payment of social insurance and other legally mandated contributions to relevant authorities

3.7 WORKING HOURS

All scenarios where working hours are exceeding legal requirements or are not appropriately compensated.

Examples:

- Management unable to verify working hours due to missing/ incomplete/ inconsistent records
- Overtime premium is not paid according to the law
- Workers moved to other facilities / departments / homeworking to avoid paying them for overtime
- Contracted working hours (excluding overtime) exceed 48 per week, or lower legal limit
- Site does not monitor / is not aware of overtime and/or working hours for all workers (including agency or temporary workers)
- Working hours exceed what is allowed by law or collective bargaining agreement
- Workers are required to be on call at all times (24 hours a day, 7 days a week)
- Workers do not take off 1 day in 7 (or, where applicable, 2 days in 14), and this is contrary to law or collective bargaining agreement (CBA)
- Rest breaks during/between shifts are not taken as required

3.8 DISCRIMINATION AND UNEQUAL TREATMENT

All scenarios where workers are discriminated without objective reasons.

Examples:

- Evidence of harassment or unfair treatment towards an individual, or discrimination in hiring, compensation, access to training, promotion, terminations, or retirement based on

- their race, caste, colour, national origin, religion, age, disability, sexual orientation, union membership/activities of association, political affiliation or other similar characteristic protected by law, or
- their sex, gender, gender identity, marital status or other similar characteristic protected by law
- No policy/system on wages and transparency in remuneration (e.g. to demonstrate non-discrimination) as required by law
- Site requires medical tests that may lead to discrimination against certain workers (e.g. against pregnant workers, workers with HIV/AIDs etc.)
- No facility or provision to allow for religious activity (e.g. daily prayers) as per local law requirement

3.9 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

3.9.1 Strikes, Protests and restricted Freedom of Association

All scenarios where workers' rights to freely associate is not sufficiently respected or where workers collectively laid down their work to protest or to demonstrate their discontent.

Examples:

- Evidence of finished or ongoing strikes
- Employer denies workers the right to freely associate (form and join organisations of their own choosing)
- Employer does not recognise the principal trade union present
- Employer proactively discourages workers from joining or forming unions (e.g. through contracts / handbooks / internal rules etc.)
- Worker / union representatives are not freely elected (e.g. they are assigned by management)

3.9.2 Trade Union and Collective Bargaining Agreements

All scenarios where legally requirements regarding trade unions and collective bargaining agreements are not fulfilled.

Examples:

- Unions are not in compliance with the national / local laws including their formation, operation, registration, recruitment of members, collection of fees, etc.
- Employer does not comply with other legal requirements for engagement with worker committees/unions (e.g. workers not given time off to fulfil duties)
- No evidence of a collective bargaining agreement (CBA) contrary to law
- Company does not comply with collective bargaining agreement (CBA)
- Collective bargaining agreement (CBA) is not created, maintained, communicated, and/or submitted to the appropriate authority as required by law

3.10 HEALTH AND SAFETY

Severe Health and Safety Cases cover any situation which poses a substantial threat to the safety and health of workers, observers or any other parties present at the workplace.

Unless otherwise indicated, the scope of application should be read to include all working areas, as well as other spaces provided by the producer for workers and dependents (e.g. cafeterias, recreational spaces, childcare and accommodation).

Business partners must at a minimum ensure that national and local safety laws are complied with at all production sites. They may also refer to ILO codes of practice for detailed safety requirements relevant to the processes of their respective supply chains.³

3.10.1 General Health & Safety Management System

All scenarios where health and safety requirements compliance cannot be ensured due to an inadequate management system.

Examples:

- Evidence of serious worker injuries as a result of risk to life or limb
- No / inadequate recording of accidents and incidents at work
- The company has not assigned responsibility for health and safety to a competent senior management representative
- No / inadequate health and safety committee or representative(s) as required by law
- No / inadequate fire safety committee or representative(s) as required by law
- No / inadequate emergency planning committee or representative(s) as required by law
- No health and safety risk assessment conducted
- Medical facilities do not meet legal requirements
- First aid boxes not available / accessible anywhere on site
- No first aiders in place or inadequate training for first aiders
- Workers are not issued with appropriate Personal Protective Equipment (PPE)
- Lack of adequate/appropriate signage in high-risk areas on usage of PPE (e.g. importance of ear plugs for high noise or specific PPE for chemical use/handling)
- No / inadequate health and safety training provided to workers in relation to processes which may cause serious injury or death
- Health and safety training is not delivered in a language that all workers understand
- No / inadequate regular medical examinations for juvenile workers where a legal requirement

3.10.2 Fire Safety

All scenarios where fire safety cannot be ensured due to an inadequate management system, inadequate fire fighting equipment, or insufficient preparedness to fully evacuate the site at any time.

Examples:

- Fire licence, inspection, or certificates not in place as required by law
- No sufficiently trained person appointed to oversee fire safety, fire prevention and fire evacuation procedure (e.g. 'fire marshal') as required by law
- Insufficient number of responsible people appointed to oversee fire safety, fire prevention and fire evacuation procedure at the workplace (e.g. fire marshals) as required by law
- Fire risk assessment not conducted or does not lead to corrective action
- Workers are not given appropriate fire safety, fire prevention and/or evacuation training
- No appropriate firefighting equipment available (e. g. not fully accessible at any time, not fully operational or poorly maintained, not sufficient to address type or severity of risk, fire extinguishers not inspected/checked regularly/out of date, inadequate hose reel installation and maintenance, no signage /labelling/instructions
- No / inadequate controls to prevent explosions, where appropriate

³ [Occupational safety and health in sectors and industries | International Labour Organization](#)

- No / inadequate fire alarms and evacuation procedures (e. g. fire alarms/smoke detectors not fully functional, sprinkler system does not meet legal requirements, insufficient functionality tests, emergency notification system is not set up to notify all workers at the site, insufficient evacuation plan or designated emergency exit route, inadequate fire assembly point, fire drills not sufficient or not involving all occupants of the building)
- There is no mechanism available (does not exist or is not operational) to summon emergency services
- No / inadequate emergency exits not able to facilitate timely evacuation of all occupants at any time (e. g. too few, too small, blocked, locked, inadequate location, insufficient marking, only one vertical exit route in case for multi-story building)

3.10.3 Electrical risk

All scenarios where improper handling and/or maintenance of electrical systems and equipment present a serious risk of injury or death, either alone or in combination.

Examples:

- Failure to comply with legal requirements for electrical safety, e.g. inspections
- Inadequate electrical safety inspections conducted, including on lighting
- Combustible/flammable materials located near a source of fire, heat or spark
- Systemic occurrence of incorrect/damaged insulation in electricals including burnt/damaged wiring and plugs
- No / inadequate PAT / electric safety testing / electrical safety risk assessment
- Blocked access to electricity panels
- Unmarked / incorrect labels / signage / instructions for electricians
- Unsafe handling of electrical equipment e.g. no rubber mats in front of electricity panels

3.10.4 Chemicals

All scenarios where improper handling and storage of hazardous chemicals present a serious risk of injury or death, either alone or in combination.

Examples:

- Evidence of unsafe disposal of hazardous chemicals or no adequate records for safe disposal of hazardous chemicals
- Improper storage of hazardous chemicals (e. g. unlabelled or labelling is incorrect, stored without restricted access)
- Legally required chemical licence expired / not in place including any reporting to government bodies on list of hazardous chemicals on site
- No / inadequate explosion proof lighting as required by law
- No / inadequate safety measures for chemicals (e.g. no anti-leaking system / secondary container / unbunded, no spill kit provided for handling chemical spillage and leakage, no eye wash / shower station in hazardous environments including chemical areas)
- No / inadequate hazardous chemicals emergency plan / emergency drill

3.10.5 Buildings' Structural Safety and Maintenance

All scenarios where buildings lack structural safety.

Examples:

- Structural issues observed that indicate potentially imminent and life-threatening conditions (such as a potential building collapse)

- Structural irregularities observed that should be evaluated by an expert to determine structural integrity
- No or inadequate assessment / certificates / report / licence in place for structural safety of building including building stability certificate
- Premises constructed for a different purpose than its current use (e.g. residence turned to production facility), and no subsequent confirmation of structural safety has been obtained or legal requirements have been met
- Evidence of asbestos in a state that could cause harm (e.g. exposed and/or crumbling)
- No asbestos assessment / survey conducted where required
- Inadequate ventilation systems

3.10.6 Machinery, Work Equipment and Transports

All scenarios where workplace traffic management or improper handling of used machinery and work equipment present a serious risk of injury or death, either alone or in combination.

Examples:

- Machinery on site is being used in a manner that constitutes a serious danger to workers' health and/or safety or lacks appropriate safety guards
- No / inadequate certificates for inspections of machinery, or machines not registered as required by law
- Lapses in inspections / maintenance of machinery (used in production or otherwise, e.g. boilers)
- No licence or inadequate experience / training of company / engineer providing machinery maintenance
- Lack of appropriate equipment / machinery - creating a serious risk to workers
- Safety functions on machinery not present / not functioning e.g. alarm / safety stop buttons
- Workplace vehicles appear to be unsafe
- Workplace traffic management system / roads etc. is unsafe or inadequate
- Company/employer-provided transport to and/or from work appears to be unsafe or otherwise present a danger

3.10.7 Workplace Safety, Worker Health and Hygiene

All scenarios where workers are exposed to avoidable risks or violate basic workers' rights.

- Workers are required to work in hazardous conditions (e. g. extreme weather, dangerous terrain, falling trees, exposure to dangerous fumes / gas levels, etc.)
- Work is performed under conditions that are degrading (i.e. humiliating or dirty)
- Inadequate sanitary facilities (e. g. unhygienic/not clean, number of toilets or hand basins insufficient for the number of workers, inadequate to protect women's health, safety or privacy/lack of menstrual hygiene facilities, toilets not separated by gender, unavailable to people with disabilities, or do otherwise not meet legal requirements)
- No/ inadequate availability of clean drinking water (that meets the World Health Organisation standard for potable water)
- No canteen facility provided as per local law
- No rest area / break area
- Pregnant workers working in unsafe / unsuitable conditions
- Failure to put in place measures to protect workers from / prevent the spread of viruses or diseases, as required by law

- Overcrowded workstations e.g. insufficient space per person as required by law, including “breathing space”
- Insufficient action taken to improve conditions following air quality / dust level / noise / temperature assessment, where necessary
- No / inadequate procedures to clean up biohazards (e.g. blood spill)

3.10.8 Accommodation Conditions

All scenarios where worker accommodation attached to the production site or provided by production site management are unsafe and insufficient.

Examples:

- Conditions of the living accommodation presents a risk to worker health (e. g. inadequate separation of production area and dormitory, creating potential fire risk, accommodation area used to store hazardous, flammable, combustible materials, no adequate protection from external conditions, presence of mould, exposure to environmental or physical hazards)
- Living accommodation is unfit for human habitation (e. g. filthy/unhygienic, not equipped with basic amenities/services such as electrical, water, etc., overcrowded, no proper lighting, inadequate temperature control, inadequate eating area or appliances for cooking, inadequate beds or mattresses, inadequate washing facilities, no appropriate gender segregation in sleeping facilities or accommodation for couples or families, inadequate security and privacy)
- Workers cannot travel safely between the living accommodation and the worksite
- Workers are charged excessive rent for accommodation compared with local norms

3.11 LAND RIGHTS

All scenarios where land rights have not been obtained in a legal and legitimate manner.

- No legally required land rights, related licences and permissions e.g. illegal appropriation of land
- Planned acquisition of land without plans to obtain free, prior and informed consent (FPIC) and/or adhere to local law

3.12 GRIEVANCE MECHANISM AND REMEDIATION PROCEDURES

All scenarios where grievance mechanisms and remediation procedures were insufficient to identify and/or resolve other cases that occurred at the supplier.

- No confidential whistleblowing procedure in place
- Lack of a transparent system in place for confidentially reporting and managing resolution of issues such as bribery, corruption, and unethical business practices
- No system to investigate evidence of bribery, corruption and unethical business practice
- Reprisals made against workers in retaliation for raising grievances
- No grievance committee in place contrary to legal requirement
- No sexual harassment committee where required by local law
- Workers report that grievances are not satisfactorily addressed, and resolution is not communicated
- No evidence of action taken by management to address concerns reported by workers

3.13 ENVIRONMENT

3.13.1 Environmental Permits, Unauthorized Disposal and Illegal Dumping

All scenarios where environmental permits are not in place or illegal discharge and/or disposal have been identified.

Examples:

- Presence of fines / prosecutions for non-compliance to environmental regulations that have not been remediated or appealed within the stipulated timeframes
- The site does not have all legally required permits for use and / or disposal of resources e.g. energy, water, air emissions, waste etc.
- Site is not aware of the local and national laws or permits related to environment
- Environmental certifications or environmental management systems documentation were not available to review
- No appropriate permits for water use / extraction as per legal requirements
- No monitoring of water usage / extraction as per legal requirement
- No permits for waste disposal as per legal requirement
- Hazardous waste improperly handled / stored / disposed of
- No / inadequate records to show hazardous waste has been properly handled / stored / disposed of
- Uncontrolled waste to landfill
- No permits for wastewater disposal (effluent) as per legal requirement
- No / inadequate drainage system e.g. no separation clean and foul water
- No water treatment in place contrary to law
- Wastewater contains contaminants over legal limits

3.13.2 Reforestation, Conservation & Biodiversity

All scenarios where illegal activity results in long-term damage to the natural environment (e.g. deforestation of a protected area).

Examples:

- Physical damage to local environment and communities, (e.g. by adding artificial structures in sensitive habitats)
- Mechanical damage to local environment and communities (e.g. deforestation of rainforest for plantation)
- Chemical damage to local environment and communities (e.g. through excessive dumping of illegal pesticides, heavy metals, drugs, hormones and agrochemicals)
- Use of illegal and/or unregistered water sources or volumes for agriculture.

3.14 BUSINESS ETHICS

All scenarios of severely unethical behaviour, criminal actions and misuse of power.

Examples:

- Evidence of organized crime, e.g. drug trafficking
- Evidence of Business Ethics issues e.g. bribery, facilitation payments, fraud, transshipment, tax evasion, anti-competitive practices, extortion, money laundering, political contributions etc.
- Evidence that the company misuses private and/or confidential data
- Wages paid / partly paid in cash (i.e. unofficially) to avoid tax and other requirements

- Threats directed by production site management against PORT staff, business partners, government officials or third-party auditors, for the purpose of influencing audit outcomes or gaining other benefits