FLA Audit Profile		Independent External Verification Profile	Independent External Verification Profile
Country	Bangladesh	Bangladesh	Bangladesh
Factory name	38020586D	38020586DV	38020586DVV
IEM	LIFT Standards Ltd.	Phulki	Level Works Limited
Date(s) in facility	July 30-31; August 2, 4, 2005	September 12, 2007	June 15- 16, 2009
PC(s)	Top of the World, LLC; Outdoor Cap Company	Top of the World, LLC	Top of the World, LLC
Number of workers	948		
Product(s)	Caps, Hats		
Production processes	Cutting, Sewing, Finishing		

			IEM Findings						Remediation					Updates		Third-Party Verification		Company Verification Follow Up		Third-Party Verification		Company Verification Follow Up	
FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources/ Documentation Used For Corroborating	Notable Features Implemented by Factory or Company	PC Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up	Documentation	Company Follow Up	Documentation	Third-Party Verification (September 12, 2007)	Documentation	Company Follow Up	Documentation	Third-Party Verification (June 15-16, 2009)	Sources/ Documentation Used for Corroborating	Company Follow Up (August-November 2009)	Documentation
1. Code Awareness																							
Worker/Management Awareness of Code		**FLA Principle of Monitoring, Obligation of Companies:** Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	Workers are unaware of code of conduct and its purpose. No formal training system exists.				Worker and management interviews about training; record review		Outdoor Cap (ODC) and Top of the World (TOW) requests factory to send records of workers being trained in every workstation; requires detailed notes of this training and signed documentation of workers who attended training. Requests factory send picture of supervisor that trained workers and their signed documentation of training for our records. • Send pictures of suggestion/grievance boxes for workers in factories; relay how many boxes available and their location • Relay who is in charge of collecting suggestions/grievances from boxes and how often they are collected. • Send procedures of how suggestions/grievances handled so they can be resolved for workers.	1st week of August 2006	Factory will send photos of code of conduct training. They will also send notes of training and signed documentation from workers that took training by first week of August 2006.	The factory sent photos of workers completing training.			Factory sent photos of code of conduct (CoC) meetings held for employees and signature sheets from all employees that attended. Received August 23, 2006; on file at ODC and TOW.	Compliance officer produced schedules for trainings conducted during the last 12 months with the signatures of workers on them. But, workers and trainers in-charge informed monitors that only fire evacuation and fire fighting training conducted on a regular basis. Workers still not aware of factory rules and code of conduct.	Training schedule review; Compliance Officer, Welfare Officer and worker interviews	Factory does periodic training, sign-in sheets for training to be submitted to TOW in May 2009.		**COMPLETE:** Regular monthly training conducted; workers (especially old workers) found aware of code provision and factory rules like leave entitlement, OT calculation, disciplinary systems, etc.	Training document review; worker and management interviews		
Confidential Noncompliance Reporting Channel		**FLA Principle of Monitoring, Obligation of Companies:** Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	There is no confidential noncompliance reporting channel that exists in the factory.				Worker and management interviews; recording system review		• ODC/TOW requests factory send pictures of suggestion/grievance boxes for workers in factories; relay how many boxes available and their location • ODC/TOW requests factory to relay who is in charge of collecting suggestions/grievances from boxes and how often they are collected. • ODC/TOW requests factory to send procedures of how suggestions/grievances handled so they can be resolved for workers.	1st week of August 2006	Factory will send pictures of suggestion/grievance boxes, quantity of boxes, location of boxes, along with documents of procedures on how suggestions/ grievances collected and handled.	The factory sent photos of suggestion boxes.			Factory sent photos of suggestions/grievance boxes in place and procedures for how suggestions/grievances collected and handled. These items are on file at the PCs.	Workers not accustomed to dropping complaints/suggestions in designated boxes, because think complaint boxes placed in toilet do not resolve workers' problems. Monitors also noted that no complaints recorded in complaint register for last few months. Complaints/suggestion boxes opened by Welfare Officer on fortnightly basis, although as per remediation plan, they have to be opened by Worker Welfare Committee (WWC). Confidential noncompliance reporting channel was not functional.	Welfare Officer and worker interviews; complaint register and complaint file review	Workers can contact our local auditor for complaints. Telephone number and email posted at factory.		**INCOMPLETE:** Secure reporting channel to contact company was not found. Workers found unaware of communication channel, i.e., company representative contact number and email	Visual inspection, worker interviews	**COMPLETE:** September 24, 2009: WCRC posters placed in various locations in worker areas.	Examples of poster and photo of this displayed in factory sent to FLA.
2. Forced Labor																							
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.																							
Employment Records		Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this code provision.	Workers not provided with appointment letter and confirmation letter. Letters signed by workers and only kept in personnel files. Some documents not consistent: 8 records: No appointment letter; 1 record: No confirmation letter, 5 records: Appointment letter without signature of management; employment contract does not contain signature from management; No settlement paper for terminated workers. Moreover, it takes at least 3 months' time to complete 1 personnel file.				Worker and management interviews; personnel file record review		1) Factory must give each employee appointment and confirmation letters as required by local law. Copy of letters will be kept in employee's personnel files at all times. Management must sign both the appointment and confirmation letter. Original appointment and/or confirmation letters should include statement, "I, employee name, have read and received a copy of this letter." Have employee sign and date letter. Give copy to employee for their records. This is to be implemented immediately for all appointments and new hires. Factory is to send at least 5 copies of newly signed confirmation/appointment letters to TOW/ODC by November 1, 2005.	11/1/2005	1) Factory has already started to give each employee appointment and confirmation letters as required by local law. Factory is also keeping copy of letters in employee's personnel files at all times. Will send requested items by November 1, 2005.	1) Factory sent 5 copies of employee appointment/confirmation letters on 10/31/05, showing management and employee signatures.	1) Factory sent 5 copies of employee appointment/ confirmation letters on October 31, 2005; showing management and employee signatures.			All personnel files contain appointment and confirmation letters (if probation period completed), duly signed by authorized personnel and workers. At present, it takes almost 1 month to complete 1 personnel file. No workers terminated within last 12 months.	Worker personnel file review; worker attendance register review; interviews with management and several newly recruited workers			**COMPLETE:** Personnel files complete; takes 1 week to complete new personnel files.	Personnel file review, new worker interviews		
Employment Records		Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this code provision.	It takes 3 months' time to open and complete a personnel file.				Personnel files review; worker interviews		Factory shall immediately have service book, appointment letters (including breakdown of wages) and age and fitness certificate completed upon hiring employee. Send TOW/ODC 5 copies of new employees' service books, appointment letters (including breakdown of wages) and age and fitness certificate by November 1, 2005.	11/1/2005; 11/15/2005	Factory now getting service book, appointment letter (including breakdown of wages) and age and fitness certificate completed upon hiring employee. Will send requested items by November 1, 2005.	Factory has sent copies of service books, appointment letters, etc. to satisfy this request. December 2005.	Copy of service book and appointment letters kept in files.			At present it takes almost 1 month to complete 1 personnel file.	Worker personnel file review; worker attendance register review; interviews with management and several newly recruited workers	Verification of length of time to complete personnel file; factory to supply copies of recent personnel files by May 2009.		**COMPLETE:** Takes 1 week to complete new workers' personnel files.	Personnel file review, new worker interviews		
Employment Records		Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this code provision.	Contract papers not complete. Reviewed and found 5 contract papers and 1 contract collected where management signature does not exist. Documents not consistent: 8 records: No appointment letter; 1 record: No confirmation letter; 5 records: Appointment letter without signature of management; employment contract does not contain signature from management; no settlement paper for terminated workers.				Attendance record review; personnel files review; management and worker interviews		Factory management must sign all employee contracts; employee must also sign contract. Keep copy of contract in employee's files and give copy of contract to employee. This is to go into effect immediately. Please send TOW/ODC 5 copies of employee contracts, with employee and management signatures by November 1, 2005.	11/1/2005; 11/15/2005	Both factory management and employees are signing all employee contracts. Factory keeping copy of contract in employee's files and giving copy of contract to employee. Will send requested items by November 1, 2005.	Factory has sent copies of service books, appointment letters, etc. to satisfy this request. December 2005.	Copy of service book and appointment letters kept in files.			At present factory does not employ any persons on a contractual basis. Monitors found that no workers employed on contractual basis during last 12 months.	Worker personnel file review; management and worker interviews			**COMPLETE:** All contract papers and personnel files found complete.	Personnel file review		
3. Child Labor																							
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.																							
Age Documentation		Employers will maintain proof of age documentation for all workers, such as a birth certificate, which verifies date of birth.	Workers' age certificates issued after job application and joining dates.				Personnel file and age documentation review; interviews on certification process with management and nurse		Factory must make age determination prior to employees' join date with factory. This age determination must be documented in employee files. This is to be implemented immediately for all new hires. Send TOW/ODC 5 copies of age determination of newly hired employees by November 1, 2005.	11/1/2005	In our factory, child labor is strictly prohibited. Normally, factory takes age determination certificate prior to employees' join date. This age determination is also documented in employee files. We will send all requested items by November 1, 2005.	Factory sent 5 copies of age determination certificates. We are requesting policy and procedure from factory stating that age determination must be made prior to employee's start date. Please send by December 15, 2005.	Factory sent 5 copies of age determination certificates on October 31, 2005. Factory gave TOW copies of policy and procedures in December 2005.			Monitors found that until December 2005, all age verification certificates from doctors issued after worker started working. During period of January to December 2006, some age verification certificates issued upon hire, some 2-3 days later. Since January 2007, age certificate of newly recruited workers issued on or before join date of respective workers.	Worker and nurse interviews; worker personnel file review			**COMPLETE:** Age and fitness certificate are issued on or before the joining of the new workers.	Personnel file review		
Childcare Facilities	Childcare facility needs to be in a separate building/place other than production floor.	Childcare facilities will not physically overlap with production areas; children will not have access to production areas.	There is a childcare facility inside factory premises on 4th floor. Childcare facility not functional and used as casual storage for workers' dresses/uniforms. No children found in center; workers unaware about facility and its advantages.				Visual inspection; worker interviews; training system quarry with management		Factory must ensure childcare facility clearly away from any production area. Childcare facility must be kept clear of all obstacles not related to childcare. Factory must now promote use of childcare facility to employees. We recommend factory contract with [Training agency name] to complete consultancy training to help bring many different areas of factory to compliance. By doing so, female workers will be asked what would make childcare acceptable, then this information would be brought to management for further discussion. Send TOW/ODC training date that is confirmed with [Training agency name] for consultancy training by November 1, 2005.	11/1/2005	Now it is impossible for us to shift childcare center from production floor. But in future, we shall try to shift childcare from production floor. Now, factory promotes use of childcare facility to employees. We are taking the necessary actions to make daycare center functional. We shall send information about daycare center by November 1, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory no longer using room for storage, but not utilizing as childcare room at this time either, December 2005.		ODC to discuss childcare issue with factory management at February 2006 visit. ODC toured childcare facility, which is located in production facility; no children enrolled in childcare facility at this time. No updates have been made as of October 17, 2006.		Welfare Officer has not provided any information on childcare facility to workers. Some workers know that there is a room for childcare, but it is not used for that purpose. Childcare facility was still not moved to a different location.	Worker and management interviews; visual inspection	Childcare center cleared, but still not in use. Target completion date: November 2009		**INCOMPLETE:** Childcare facility not functional and still in main factory building on 4th floor. Childcare center found empty without anyone responsible (caretaker) for room. Moreover, 1 child found inside factory building ground floor; was a nephew/orphan of worker who works on 5th floor of building, which is a sister concern of factory (same owner). With intervention of auditor, child placed in childcare room for the time being.	Visual observation, worker interviews	**COMPLETE:** Immediate discussion of childcare facility with factory management implemented as soon as audit findings given to PC. A new room was created and equipped for facility; childcare resumed formally in November 2009. Certified staff hired to work in this facility and it is operating now.	Photos are sent to FLA for review.
Children on the Premises **(NEW FINDING)**																				**NEW FINDING:** 1 child (orphan and nephew of loader) found inside factory on stairs and cutting section, area while childcare center remains empty without any attendance or guard. Child playing on ground floor was nephew/orphan of worker who works on 5th floor of building, which is a sister concern of factory (same owner).	Visual observation, worker interviews	**COMPLETE:** New policies have been implemented with factory staff and management, outlining concerns over children being on premises. New childcare facility is open now and will provide a safe location for all children to be supervised if they must accompany an adult to building.	Photos are sent to FLA for review.
4. Harassment or Abuse																							
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.																							
Progressive Discipline		Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to the workers.	No formal disciplinary system, policy and procedure exist.				Management and worker interviews		Factory will attend training of supervisors/management on treatment of employees and disciplinary actions. We are sending training outline from [Training agency name] and we, TOW/ODC, fully recommend that [Factory name] contract with [Training agency name] to complete this training program, which consists of 2 days disciplinary and CoC training and a 4 month consultancy program. Please send TOW/ODC factory's revised policies and procedures relating to discipline and set date for training by November 1, 2005.	11/1/2005	Factory is arranging training programs for supervisors/management on treatment of employees and disciplinary actions. We will send revised policies and procedures and confirmed training date by November 1, 2005.	Factory has chosen not to hire [Training agency name] for training. They have hired a person to help factory become compliant. Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory has established and posted disciplinary policy and procedures. Training has occurred for management. Training to be provided to workers the month of July 2006.	Copies of the policy and procedures are kept in files at ODC and TOW.	ODC to discuss when training will be given to the workers.	Factory will send signed documentation from the workers by August 1, 2006.	Factory has developed policy and procedure on disciplinary action. However, factory has not hired any outside consultant to provide training on treatment of employees and disciplinary action as per PC remediation plan. Compliance officer informed they conducted training for supervisor/management on issues mentioned above. But, monitors could not find training schedule on this specific issue.	Policy and training schedule review; management and worker interviews	Factory does periodic training, sign-in sheets for training to be submitted to TOW by May 2009.		**COMPLETE:** Disciplinary policy and procedure has been established; worker training conducted on above mentioned issues.	Document review, worker interviews		
Progressive Discipline		Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers.	Workers are terminated for continuous absence from work for 3 – 4 days.				Personnel files, warning letters and termination case review		According to "The Employment of Labor (Standing Orders) Act, 1965," employer authorized to terminate worker if they are absent from work for more than 10 days without prior permission or information from management provided that upon return, workers not able to give justified explanation. In this case, registered letter will be sent to the temporary and permanent address of worker with information of loss of lien and request to report with a given date. If report submitted as outlined in registered letter, they can be lawfully terminated. Factory shall immediately start complying with local law and shall amend worker handbook to state as such. Please send TOW/ODC copy of revised employee handbook translated to English and in local language highlighting this change.		We shall immediately start complying with local law and shall amend our employee handbook. We shall send all requested items by November 1, 2005.	Factory has chosen not to hire [Training agency name] for training. They have hired a person to help factory become compliant. Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory has established and posted disciplinary policy and procedures. Training has occurred for management. Training to be provided to workers the month of July 2006.	Copies of the policy and procedures are kept in files at ODC and TOW.	ODC to discuss when training will be given to workers.	Factory will send signed documentation from workers by August 1, 2006.	Factory did not update the worker handbook by including "The Employment of Labor (Standing Orders) Act, 1965" as per PC remediation plan. Management continues to distribute old handbook to workers. Records show that during last 12 months no workers were terminated for 3 or more days of continuous absence from work. But from worker interviews, it was found that management still verbally communicated that workers should be terminated in case of 3 or more days of continuous absence from work.	Worker and management interviews; review of worker personnel files, leave register and worker handbook	Factory does periodic training, sign-in sheets for training to be submitted to TOW by May 2009.		**COMPLETE:** No such termination case due to absence could be identified and workers informed that factory has stopped informally communicating policy. Factory issues warning letter or follows disciplinary system in case of such absence.	Document review, worker interviews		
Disciplinary Practices		Employers will utilize consistent written disciplinary practices that are applied fairly among all workers.	No disciplinary policies and procedures found in effect in factory. Only document maintained on disciplinary action is warning letter. Some warning letters found where reason for issuing warning letter not mentioned or ticked. In 1 letter, there were 3 warnings issued at same time, ending in termination without any justification.				Worker interviews; personnel warning letter review		Factory will attend training of supervisors/management on treatment of employees and disciplinary actions. We are sending training outline from [Training agency name] and we, TOW/ODC, fully recommend that [Factory name] contract with [Training agency name] to complete this training program which consists of 2 day disciplinary and CoC training and a 4 month consultancy program. Please send TOW/ODC factory's revised policies and procedures relating to discipline by and set date for training by November 1, 2005.	11/1/2005	Factory arranging training programs for supervisors/ management on treatment of employees and disciplinary actions. We will send revised policies and procedures and a confirmed training date by November 1, 2005.	Factory chosen not to hire [Training agency name] for training, they have hired a person to help factory become compliant. Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory established and posted disciplinary policy and procedures. Training has occurred for management. Training will be provided to workers by Social Compliance manager the month of July.	Copies of the policy and procedures are kept in files at ODC and TOW.	ODC to discuss when training will be given to workers.	Factory will send signed documentation from workers by August 1, 2006.	Factory has developed a policy and procedure on disciplinary action. However, factory has not hired any outside consultant to provide training on treatment of employees and disciplinary action as per PC remediation plan. Compliance officer informed that they conducted training for supervisor/management on said issues, but monitors could not find training schedule on this specific issue. Monitors did not find evidence of 3 times warning policy, either, but found some warning letters with workers' responses on them. No worker was terminated during the last 12 months as a result of disciplinary action.	Policy and training schedule review; management and worker interviews; worker personnel file review	Factory does periodic training, sign-in sheets for training to be submitted to TOW by May 2009.		**COMPLETE:** Disciplinary policy and procedure has been established and worker training is conducted on the above mentioned issues. Reason for disciplinary action is indicated on the warning letters.	Document review, worker interviews		
Training of Management in Disciplinary Practices		Employers will provide training to managers and supervisors in appropriate disciplinary practices.	No formal training provided on disciplinary procedures.				Management and worker interviews		Factory will attend training of supervisors/management on treatment of employees and disciplinary actions. We are sending training outline from [Training agency name] and we, TOW/ODC, fully recommend that [Factory name] contract with [Training agency name] to complete this training program which consists of 2 day disciplinary and CoC training and a 4 month consultancy program. Please send TOW/ODC factory's revised policies and procedures relating to discipline by and set date for training by November 1, 2005.	11/1/2005	Factory arranging training programs for supervisors/ management on treatment of employees and disciplinary actions. We will send revised policies and procedures and a confirmed training date by November 1, 2005.	Factory chosen not to hire [Training agency name] for training, they have hired person to help factory become compliant. Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory established and posted disciplinary policy and procedures. Training has occurred for management. Training will be provided to workers by Social Compliance manager the month of July.	Copies of policy and procedures kept in files at ODC and TOW.	ODC to discuss when training will be given to workers.	Factory will send signed documentation from workers by August 1, 2006.	As per PC remediation plan, factory did not hire any outside consultant to provide training on treatment of employees and disciplinary action. Compliance officer informed they conducted training for supervisor/management on abovementioned issues. But, monitors did not find record of Disciplinary Practices on training schedule.	Training schedule review; management/supervisor and worker interviews	Factory does periodic training, sign-in sheets for training to be submitted to TOW by May 2009.		**COMPLETE:** Factory arranges internal training for workers on disciplinary system (policy and procedure) on monthly basis.	Document review, worker interviews		
Records Maintenance		Employers will maintain written records of disciplinary actions taken.	No written records maintained for the number of disciplined workers or separated or fired workers on a monthly basis or for the steps and procedures of disciplinary actions. Only warning letter is issued and maintained properly with respective files. Warning/termination letter was found but no personnel file/documents for the person in question were available.				Management interview; personnel file check		Factory will attend training of supervisors/management on treatment of employees and disciplinary actions. We are sending training outline from [Training agency name] and we, TOW/ODC, fully recommend that [Factory name] contract with [Training agency name] to complete this training program which consists of 2 day disciplinary and CoC training and a 4 month consultancy program. Please send TOW/ODC factory's revised policies and procedures relating to discipline by and set date for training by November 1, 2005.	11/1/2005	Factory arranging training programs for supervisors/ management on treatment of employees and disciplinary actions. We will send revised policies and procedures and a confirmed training date by November 1, 2005.	Factory chosen not to hire [Training agency name] for training, they have hired person to help factory become compliant. Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory established and posted disciplinary policy and procedures. Training has occurred for management. Training to be provided to workers the month of July 2006.	Copies of policy and procedures kept in files at ODC and TOW.	ODC has requested signed documentation of training by manager.	Factory will send signed documentation from workers by August 1, 2006.	Records maintained for disciplined or migrant workers on monthly basis. Warning letter issued and also maintained properly in respective files. Reviewing workers' personnel files we did not find any evidence of termination resulting from warning.	Worker personnel file review; migrants/ terminated/new workers list; management and worker interviews			**COMPLETE:** Records maintained for disciplined and migrant workers on monthly basis.	Document review		
Verbal Abuse		Employers will prohibit screaming, threatening, or demeaning verbal language.	Verbal abuse occurs in cases of failure to achieve production target, unauthorized absence and mistakes in work. Workers made to stand in front of sewing line for half an hour as punishment for absence.				Worker and supervisor interviews; group discussion		Factory will attend training of supervisors/management on treatment of employees and disciplinary actions. We are sending training outline from [Training agency name] and we, TOW/ODC, fully recommend that [Factory name] contract with [Training agency name] to complete this training program which consists of 2 day disciplinary and CoC training and a 4 month consultancy program. Please send TOW/ODC factory's revised policies and procedures relating to discipline by and set date for training by November 1, 2005.	11/1/2005	Factory arranging training programs for supervisors/ management on treatment of employees and disciplinary actions. We will send revised policies and procedures and a confirmed training date by November 1, 2005.	Factory chosen not to hire [Training agency name] for training, they have hired person to help factory become compliant. Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory established and posted disciplinary policy and procedures. Training has occurred for management. Through worker interviews, no evidence of continued verbal abuse found. Training to be provided to workers the month of July 2006.	Copies of policy and procedures kept in files at ODC and TOW; employee interviews	ODC has requested signed documentation of training by manager.	Factory will send signed documentation from workers by August 1, 2006.	Factory developed policy and procedure on disciplinary action. However, factory has not hired any outside consultant to provide training on treatment of employees and disciplinary action as per PC remediation plan. Compliance officer informed that they conducted training for supervisor/management on said issues, but monitors could not find record of this specific issue on the training schedule. Verbal abuse persists. One supervisor observed to be yelling at a worker during factory tour.	Focus group discussion; worker and management interviews; factory tour	Factory does periodic training, sign-in sheets for training to be submitted to TOW by May 2009.		**COMPLETE:** Verbal abuse and informal punishment system has stopped. Training for workers and supervisors conducted, but training needs to continue on a regular basis.	Document review, worker interviews		
Monetary Fines and Penalties		Employers will not use monetary fines and penalties for poor performance.	Worker's attendance deliberately omitted from attendance register, resulting in salary deduction for wrongdoing/ mistake in work.				Worker and supervisor interviews; attendance and payment record review		Factory will immediately STOP practice of omitting workers attendance from attendance register, a form of informal punishment. Please send TOW/ODC copy of attendance record for embroidery section for months of September and October 2005 and letter from top management that this practice has immediately been corrected by November 15, 2005.	11/15/2005	Factory will immediately STOP practice of omitting workers attendance from attendance register. Factory shall send copy of attendance register record for embroidery section as requested for months of September and October 2005, and letter from management stating such by November 15, 2005.	Factory has stopped practice of omitting worker attendance from attendance register.	Copy of attendance register kept in files.			No evidence of omissions with attendance book keeping and no salary deductions for doing a mistake with job.	Worker and management interviews; time record and payroll sheet review			**COMPLETE:** No case of salary deduction has been identified.	Document review, worker interviews		
Monetary Fines and Penalties		Employers will not use monetary fines and penalties for poor performance.	Worker's attendance deliberately omitted from attendance register, resulting in salary deduction for wrongdoing/ mistake in work. Approved leave also deducted from salary if special permission for leave with pay given by supervisor in charge.				Attendance record review; personnel file review; management and worker interviews		Factory will immediately STOP practice of omitting workers attendance from attendance register, a form of informal punishment. Please send TOW/ODC copy of attendance record for embroidery section for months of September and October 2005 and letter from top management that this practice has immediately been corrected by November 15, 2005.	11/1/2005	Factory will immediately STOP practice of omitting workers attendance from attendance register. Factory shall send copy of attendance register record for embroidery section as requested for months of September and October 2005, and letter from management stating such by November 15, 2005.	Factory has stopped practice of omitting worker attendance from attendance register.	Copy of attendance register kept in files.			From record review of last 12 months, as well as worker interviews, we did not find any evidence or hear any complaints from workers regarding recording of working hours or salary deductions due to mistakes with job. Nor did we find any evidence of salary deductions for approved leave.	Worker and management interviews; time record, leave register, worker personnel file and payroll sheet review			**COMPLETE:** No case of salary deduction has been identified.	Document review, worker interviews		
Other (Grievance Procedure)				Worker handbook not provided to all workers. Workers not aware of grievance and disciplinary system and procedures. Some workers only know about existence of suggestion box, but are not clear and confident about its credibility and effectiveness.			Attendance record review; personnel file review; management, worker and WWC member interviews		Factory shall immediately give all workers a worker handbook; also, factory shall post grievance and disciplinary policies on notice boards throughout factory. We recommend that you have WWC start collecting suggestion box comments, review complaints/suggestions, and give them to management. Management should respond back to WWC within a specified period of time and WWC can post resolutions to problems or comment on notice board so employees can see effectiveness of this communication system. Send TOW/ODC photos of posted grievance and disciplinary policies and new procedure for involvement of WWC in this process by November 1, 2005.	11/1/2005; 11/15/2005	Factory shall immediately give all workers a worker handbook. Also, factory shall post grievance and disciplinary polices on notice boards throughout factory. Factory will send photos of posted policies and new procedure for involvement of WWC is in process by November 1, 2005.	Factory provided copy of handbook. Currently, factory is in process of updating their handbook and will submit new handbook by February 15, 2006. ODC to check for new handbook on February 2006 visit.	Copy of handbook kept in files.	ODC reviewing and working with factory on revised handbook and training of workers.		Worker handbook has been distributed to workers as per remediation plan, but was the old version. Workers not accustomed to dropping complaints/suggestions in designated boxes, as they think complaint boxes placed in toilet do not resolve workers' problems. Monitors also found that no complaints were recorded in complaint register for last few months. Complaint/suggestion boxes opened by Welfare Officer on fortnightly basis, although as per remediation plan they have to be opened by WWC.	Worker, Compliance Officer, Welfare Officer interviews; complaint register and complaint file review; focus group discussion	Factory to provide copy of new handbook by May 2009.		**COMPLETE:** Workers aware of disciplinary and grievance system. They are aware of existence of suggestion box, but do not use them actively. Factory has a new Workers Participation Committee (elected May 30, 2009), which is still functional. Suggestion boxes only receive minor complaints or problems like toilet repair, non-functional lights or fans, etc. Only 3 such complaints submitted in last few months.	Worker and WPC members interviews; document review		
5. Nondiscrimination																							
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.																							
6. Health and Safety																							
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities																							
Fire Safety: Health and Safety Legal Compliance		Employer will comply with applicable H&S laws and regulations. In any case where laws and CoC are contradictory, the higher standards will apply. Factory will possess all legally required permits.	1) No fire fighting team trained. Only 3 names given fire fighters for whole factory. None of these persons trained; nor do workers recognize these persons as fire fighters. 2) No first aid policy/team or doctor found, only 1 nurse (without professional training and certificate) available.				Management and worker interviews; record review; personnel file review		1) Factory to contact local fire marshal and conduct training with current fire fighting team. Local fire fighting team to keep notes from training on file. Training to be done quarterly. Train all employees on who fire fighting team members are on quarterly basis. Training notes to be kept. Photos of fire fighting team need to be posted in canteen, production area, at all entrances and any place employees gather. Training will be completed by November 1, 2005; meeting notes sent to TOW/ODC. Send photos of fire fighting team as they are posted in all areas of factory by November 1, 2005. 2) Per Bangladesh Factories Rules, 1979; Ambulance room/dispensary shall have qualified medical practitioner in charge assisted by at least 1 qualified compounder and nurse and any subordinate staff as Chief Inspector may direct. Medical practitioner shall always be available on call during work hours. Factory to create first aid policy immediately and hire qualified medical practitioner and at least 1 qualified compounder and nurse as required by local law by November 1, 2005. Send TOW/ODC copy of first aid policy and copies of medical staff's certificates and photos by November 1, 2005 as evidence.	11/1/2005	1) Factory shall contact local fire marshal and have training conducted with current fire fighting team. Factory will keep meeting notes from training on file. Factory will send photos of posted fire fighting team photos in factory by November 1, 2005. 2) Factory has already created first aid policy. Factory will hire qualified medical practitioner and at least 1 qualified compounder and nurse as soon as possible. Factory will send evidence this has been completed as soon as possible.	1) Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. 2) Factory sent copy of first aid policy on October 31, 2005. We are requesting procedure from factory stating who is responsible for maintaining first aid boxes by December 15, 2005. Factory did not send evidence of appointed medical practitioner that is to be on call at all times during factory hours. Please send medical certificate and contract of appointment by December 15, 2005.	1) Factory established and trained fire fighting team, December 2005. Meeting notes and photos of members sent. 2) Factory sent copy of first aid policy on October 31, 2005. Factory sent 2 letters from hospital personnel for [Employee name] from [Hospital name], as evidence of certification.	Factory sent copy of Letter of Appointment of a part-time doctor that started April 16, 2006, and will be in factory 2 days a week and on call. Advised factory by law that a doctor should be on premises at all times, but this is step in right direction. Also sent was nurse's certificate.		Factory has posted names of fire fighting team members on notice board on production floor, but some of these team members had already left factory. Firefighting team not known to workers. Photos of firefighting team not posted in canteen and production area. Factory has first aid policy and it was posted. There is no full-time qualified medical staff. Factory doctor comes in twice a week (Wednesday, Saturday) for 2-3 hours.	Communication with Compliance Officer; fire fighting team and worker interviews; inspection of fire fighting equipment and notice board on production floor	Updated fire team notice boards posted. Factory to supply photos of notice boards by May 2009.		**COMPLETE:** Fire fighters have been trained; list with pictures posted on each floor. 2 doctors (1 male, 1 female) come in 2 times, for half the day. A full- time nurse is also available in factory.	Visual inspection, worker interviews, documents review		
Fire Safety: Health and Safety Legal Compliance																				**NEW FINDING:** Fire extinguisher found empty and not available in a number of places.	Visual observation	**COMPLETE:** August - October 2009: Policies on adequate safety equipment have been updated and training with all staff has been implemented to ensure there is no empty or missing equipment at facility.	
Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	Fire safety policy not in local language and not posted for workers. Fire drill not arranged every month as mentioned in factory internal policy. Workers not trained on fire safety and first aid policy.				Management interview; visual inspection; record and register review		In accordance with Section 22 of Factories Act, 1965, and Instruction Number F.S.O. CD/4409/4(120) dated September 11, 1997 of Fire Service, each factory shall conduct at least 1 fire escape drill every month and maintain proper details of drill. Factory shall start immediately adhering to local law by conducting monthly fire drill. These fire drills should be kept in a log. Please send TOW/ODC copy of fire drill log and photos of drill for months of September and October 2005 by November 1, 2005.	11/1/2005	Fire safety policy already been made and posted on notice board. Fire drills now kept in a log. Will send copy of log and photos of monthly drill for months of September and October 2005 by November 1, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory has now posted fire safety policy in local language. Factory conducts monthly fire drill; confirmed by TOW through worker interviews, December 2005.	Confirmed through worker interviews and copies of notes kept in files.			Fire safety policy written in local language and posted on notice board. Factory arranges fire drills on monthly basis and keeps a log. Workers corroborated this information.	Communication with Compliance Officer; fire fighting team and worker interviews; inspection of fire fighting equipment and notice board on production floor			**COMPLETE:** Fire drill conducted every month and documented in register.	Document review, worker interviews		
H&S 9. Evacuation Requirements and Procedure																				**NEW FINDING:** Aisles and fire extinguishers found partly blocked in main stairs in front of store. Main factory entrance partly blocked with fabric rolls and cartons.	Visual observation	**COMPLETE:** June 18, 2009: Entrance and aisles cleared of all items blocking access to/from for all workers. August - October 2009: Policies on adequate safety equipment have been updated and training with all staff has been implemented to ensure there is never empty or missing equipment at facility.	Photos are sent to FLA for review.
Safety Equipment		All safety and medical equipment (fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to employees.	First aid kits not well stocked and no one is responsible for supervising their maintenance.				Visual inspection; management interview		According to Factories Act 1965, Section 44, and Factories Rules 1979, Section 55, every factory shall provide and maintain at least 1 first aid box with its prescribed contents for every 150 workers, in the charge of person trained in use of first aid. Factory shall comply with local law and properly stock all first aid kits in factory as stated above and create policy and procedure for kits to be checked weekly for restocking. Please send TOW/ODC photos of completely stocked first aid kits and copy of new policy and procedures for restocking first aid kits by November 1, 2005.	11/1/2005	Factory already created policy and procedure for kits to be checked weekly for restocking. Factory will send photos of completely stocked kits and copy of new policy and procedures for restocking by November 1, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. TOW found that first aid kits still not well stocked in December 2005. TOW will send fully stocked first aid kit as an example by February 15, 2006. ODC to check on February 19 factory follow-up visit.		ODC to check all first aid kits at factory during February visit. ODC found first aid kits to be stocked well. Also, was told factory will model their first aid kits as one TOW sends.		Monitors randomly checked 4 first aid boxes during walkthrough and found 2 boxes empty. There were only Nuspa tab – 2 nos., Avomine tab – 2 nos. and piece of dirty cotton in 2 first aid boxes on 3rd floor. Supervisor informed that requisition prepared by nurse to buy medicine. Nurse showed requisition paper to monitors during medical center visit. First aids kits not well stocked. Monitors also did not find any evidence of weekly checking for restocking.	Interviews with nurse, Compliance Officer and general workers; inspection of first aid boxes	First aid boxes now locked to prevent theft. All floor supervisors have keys to boxes.		**INCOMPLETE:** First aid boxes found mostly empty/not sufficiently stocked in many places. Even doctors' room/ emergency room not well stocked with medicine.	Visual observation; first aiders and nurse interviews	**COMPLETE:** August 2009: All first aid equipment has been restocked; more training implemented on upkeep of these items. Concern brought up of these items being stolen frequently by workers, so new practices of securing these items/areas implemented, along with training on upkeep and inspection of inventory.	Photos are sent to FLA for review.

FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources/ Documentation Used For Corroborating	Notable Features Implemented by Factory or Company	PC Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up	Documentation	Company Follow Up	Documentation	Third-Party Verification (September 12, 2007)	Documentation	Company Follow Up	Documentation	Third-Party Verification (June 15-16, 2009)	Sources/ Documentation Used for Corroborating	Company Follow Up (August-November 2009)	Documentation
			IEM Findings						Remediation					Updates		Third-Party Verification		Company Verification Follow Up		Third-Party Verification		Company Verification Follow Up	
Personal Protective Equipment (PPE)		Workers shall wear appropriate protective equipment (gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	PPE not provided to workers (hand gloves for iron section; masks for overlock machines; earplugs for Kanasi special and bartek machine) and no training on use of PPE provided to workers.				Visual inspection; management and worker interviews		Factory shall immediately supply all PPE to necessary employees and train employees on use of protective equipment. Please send photos of employees wearing required PPE by November 1, 2005.	11/1/2005	Factory shall supply all PPE to necessary employees as soon as possible and train employees on use of protective equipment. Factory will send photos as soon as possible.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. TOW found again that PPE not provided to workers, December 2005. ODC to check again on February 19 visit.		ODC to check for PPE used by workers on factory tour. ODC toured factory and saw workers using PPE. Several photos taken and on file.		Factory management supplied sufficient PPE (hand gloves in iron section; masks for overlock machine; masks and hand gloves to protect from thinner hazard). But, hand gloves not used in ironing section. Monitors found that enough hand gloves were stocked in room very close to ironing section. Masks not used for overlock machine. Thinner not used during audit process.	Interview with section personnel in-charge; worker and management interviews; floor visit	On-location auditor to confirm use of PPE by May 2009.		**INCOMPLETE:** PPE not sufficiently provided for printing section, embroidery (subcontract factory) section and iron section.	Visual observation	**COMPLETE:** August - November 2009: The importance of all PPE devices and the implementation of a plan to ensure all PPE is used by workers was devised. Inventory on what was needed was done in early November. By November 30, 2009, all missing PPE was passed out to anyone who needed more protection.	
Chemical Management		All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances.	Thinner is used without labeling and taking any safe measures.				Visual inspection		Factory shall immediately label all chemicals in local language and English and post Material Safety Data Sheets (MSDS) for all chemicals. Send TOW/ODC photos of labeled chemical containers and copies of MSDS by October 1, 2005.	11/1/2005	Factory has already labeled all chemicals in local language and English. They have posted MSDS for all chemicals. Factory will send photos of labeled containers and copies of MSDS within a short time.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Follow-up audit in December 2005 showed thinner marked and MSDS checks being followed.	Factory tour			Monitoring team found that thinner was appropriately marked and labeled. MSDS properly posted in spot remover section and thinner storage room.	Floor visit; review of MSDS on thinner; worker and management interviews			**INCOMPLETE:** Thinner used inside the floor, which needs a separate room with exhaust fan sucking out air to outside. Thinner spray gun not labeled.	Visual observation	**COMPLETE:** August 2009: We implemented a plan and arranged for immediate construction of ventilation needed in this storage area. September - October 2009: Inventory done on all chemicals used and new labels placed where necessary. Training implemented on the procedure for inspecting and correcting any chemical labeling or storage matters.	
Chemical Management																				**NEW FINDING:** Chemical in the printing section was not labeled.	Visual observation	**COMPLETE:** August 2009: We implemented a plan and arranged for immediate construction of ventilation needed in this storage area. September - October 2009: Inventory done on all chemicals used and new labels placed where necessary. Training implemented on the procedure for inspecting and correcting any chemical labeling or storage matters.	
Machinery Maintenance		All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	Eye guard with overlock and bartek machine not used, and in some cases, guard not found installed on machines.				Visual inspection		Factory shall immediately supply all PPE to necessary employees and train employees on use of the protective equipment. Please send photos of employees wearing required PPE by November 1, 2005.	11/1/2005	Factory shall supply all PPE to necessary employees as soon as possible and train employees on use of protective equipment. Factory will send photos as soon as possible.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. TOW found again that PPE not provided to workers, December 2005. ODC to check again on February 19 visit.		ODC to check for PPE used by workers on factory tour. ODC toured factory and saw workers using PPE. Several photos were taken and on file.		Eye guard not fixed for overlock and bartek machine. When monitor asked about eye guard, worker showed it under the table. Workers and supervisors did not receive any training on importance of machine guard and necessity of its use. **NEW FINDING**: No needle guard on sewing machine.	Floor visit; worker and management interviews	Proper guards installed on all machines. To be reconfirmed by on-location auditor by May 2009.		**COMPLETE:** Machine guards and eye guards were found available.	Visual observation		
Machinery Maintenance		All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.																		**NEW FINDING:** Automatic switch (by hand) for cutting machines not functional; they are modified by factory and run by legs.	Visual observation, machine operator interviews	**COMPLETE:** August 2009: In discussing this with factory staff, we were told that workers often remove switches to allow for faster operation of machines. We advised that this is an unacceptable practice and implemented a plan to correct all machines that needed to be fixed. Inspections were done and all machines were fixed in November 2009.	
Sanitation in Facilities		All facilities, including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	1) Number of male toilets sufficient and in keeping with local law. But number of female toilets needs to be 36 for 900 female workers, whereas factory has 5 female toilets per floor, with a total of 15 toilets. 2) Canteen not spacious enough to accommodate all workers; as result, some workers take their lunch sitting on floor. Sometimes water supply and washing facilities not available/adequate during lunch hour.				Visual inspection; record review; group discussion with workers		1) Suggest factory reallocate number of restrooms for men and women; too many for men, not enough for women. Total number of female toilets required by local law should be increased from 15 to 36 by November 1, 2005. If after reallocation, still do not have 36, will have to install new facilities. Send TOW/ODC plans to comply with local law by November 1, 2005. 2) Recommend factory stagger lunch times to accommodate all workers comfortably during lunch breaks if possible; otherwise will need to enlarge canteen to accommodate all workers, and supply water and washing facilities in canteen area for employees. Send TOW/ODC plans to comply by November 1, 2005.	11/1/2005	1) We will take action for this and will send you our plans to comply with local law by November 1, 2005. 2) We have taken necessary action for this. We will send all information by November 1, 2005 as requested.	Factory did not send remediation items by November 1, 2005, asking it be given to TOW on December visit. 1) December 2005 follow-up audit found factory still in process of increasing number of toilets to required level. In effort to fulfill this, factory has opened 4th floor toilets to workers. 2) Factory now staggering lunch times to alleviate overfull canteen area.		Factory has realigned number of bathrooms for women and men to ensure there are enough for women, giving women 41 and men 15.		Factory allocated 41 toilets for female workers and 15 for male workers. Water supply available during factory tour, but washing facility overcrowded. Dining rooms (canteen) on 2, 3, 4 and 5 floors spacious enough for workers. Dining room of 1st floor used by both ground floor and 1st floor workers. At present, management provides lunch in 2 seatings for workers of these 2 floors; therefore, space was sufficient. **NEW FINDINGS:** Toilets clean, but sandals and soap were not available. Workers went to toilet barefoot.	Toilet inspection; group discussion; worker interviews; record and notice board review	Per [internal monitor], factory provides soap and sandals, but both are often missing due to theft.		**COMPLETE:** Sufficient toilets provided and canteen space also sufficient; observed during lunch hour. Sandals are provided for toilet use.	Visual observation, worker interviews		
Worker Participation		Workers should be involved in planning for safety, including through Worker Safety Committee.	No Worker Safety Committee found.				Worker and management interviews		Factory shall create and appoint some employees to a Worker Safety Committee by November 1, 2005. This committee shall meet at least quarterly; meeting notes must be kept. Please send TOW/ODC list of all members of committee and plan of upcoming meetings for this committee by November 1, 2005.	11/1/2005	Factory shall create Worker Safety Committee by November 1, 2005. This committee shall meet at least quarterly and meeting notes must be kept. Factory will send list of all members of committee and plan of upcoming meeting by November 1, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory has established Worker Safety Committee.	Photos of members sent and kept in file.			Factory formed Fire Safety Committee and has posted names of fire safety team on notice board on production floor, but some team members had already left factory, as management acknowledged. Workers not familiar with fire fighting teams. Photos of fire safety team not posted in canteen and production area.	Fire drill register review, worker interviews, visual inspection, focus group discussion	Current fire team posted.		**COMPLETE:** Fire fighting team has been trained along with first aid team. Photos posted on each floor. Workers are also familiar with team members.	Document review, visual observation, worker interviews		
Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.																		**NEW FINDING:** Generator and compressor room not well maintained. Electric wires were crossing walkways and lying on floor; overall maintenance is poor.	Visual observation	**COMPLETE:** August 2009: Maintenance done in Generator Room to ensure it was safe and working properly. Training implemented on the importance of upkeep here, due to the extreme danger of this area if not kept safe.	Photos are sent to FLA for review.
Other (Childcare facility)			Childcare facility not functional; workers not aware of facility. Childcare room not in a separate building, but in main building where production is taking place.				Visual inspection; worker interview		Factory must ensure childcare facility clearly away from production area. Childcare facility must be kept clear of all obstacles not related to childcare. Factory must now promote use of childcare facility to employees. Recommend factory contract with [Training agency name] to complete consultancy training to help bring many different areas of factory to compliance; by doing so, female workers will be asked what would make childcare acceptable; information to be brought to management for further discussion. Send TOW/ODC training date confirmed with [Training agency name] by November 1, 2005.	11/1/2005	Now it is impossible to us for to shift childcare center from production floor. But in future, we shall try to shift childcare from production floor. Now, factory promotes use of childcare facility to employees. We are taking the necessary action to make day care center functional. We shall send information about daycare center by November 1, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory no longer using facility for uniform storage. Employees aware other facility exists and is functional; however; it is not being used. ODC will check at February follow-up audit.		ODC to discuss childcare issue with factory management at February 2006 visit. ODC toured childcare facility, which is located in production facility. No children enrolled in childcare facility at this time.		Childcare center still not functional and has yet to be moved to a different location.	Worker and management interviews; visual inspection	Childcare center cleared, but still not in use. Target completion by November 2009.		**INCOMPLETE:** Childcare facility not functional and still in main factory building on 4th floor. Childcare center found empty without anyone responsible (caretaker) for room. Moreover, 1 child found inside factory building ground floor, who was a nephew/ orphan of worker who works on 5th floor of building which is sister concern of factory (same owner). With intervention of auditor, child placed in childcare room for time being.	Visual observation; management interview and worker interviews	**COMPLETE:** Immediate discussion of childcare facility with factory management implemented as soon as audit findings given to TOW. A new room was created and equipped for facility and child care resumed formally in November 2009. Certified staff hired to work in this facility; it is operating now.	Photos are sent to FLA for review.
Other (Qualification of the Medical Practitioner)			Technical staff (nurse and electrician in charge of H&S matters) do not have any academic/professional certificates/degrees. They have only experience working in their respective field, but even those certificates not maintained in personnel files.				Personnel file review		Factory shall create first aid policy immediately. Factory shall hire qualified medical practitioner and at least 1 qualified compounder and nurse as required by local law by October 1, 2005. Send TOW/ODC copy of first aid policy and copies of medical staff's certificates and photos by November 1, 2005 as evidence.	11/1/2005; 11/15/2005	Factory has already created first aid policy. Factory will hire qualified medical practitioner and at least 1 qualified compounder and nurse as soon as possible. Factory will send us evidence this has been completed as soon as possible.	Factory sent copy of first aid policy on October 31, 2005. We are requesting procedure from factory stating who is responsible for maintaining first aid boxes by December 15, 2005. Factory did not send evidence of appointed medical practitioner that is to be on call at all times during factory hours. Please send medical certificate and contract of appointment by December 15, 2005. Factory still did not provide information regarding hiring qualified medical practitioner.		ODC to discuss with factory management about hiring a medical practitioner; factory has hired a medical practitioner part-time.		Personnel file maintained by nurse contains job application, appointment letter, employment contract, nationality and character certificate. Nurse has completed only three and half months course on "Theoretical and practical nurse training course" from [Hospital name]; certificate available in personnel file. Factory management could not provide us personnel file for other technical persons.	Interviews with nurse, management and other technical persons; personnel file review	On-location auditor to confirm personnel files for technical persons by May 2009.		**COMPLETE:** Factory maintains complete personnel files for nurse and technical person electrician. Both files were available and found complete with their certificate.	Document review, relevant person interviews		
H&S.8: Permits and Certificates																				**NEW FINDING:** Environmental certificate not available for printing section. No ETP found for water from printing section seen to be going through regular drainage system.	Document review, management interviews	**NOT COMPLETE:** August 2009: Plan to correct drainage system and obtain approval via certificate from local authorities discussed with factory management. October 2009: Pending verification of corrections necessary to resolve this matter. November - December 2009: Analysis of status of drainage system being done to determine final course of action.	
Other																				**NEW FINDING:** Workers found working barefoot. Workers standing in iron and finishing section not given floor mats to stand on.	Visual observation	**COMPLETE:** August - October 2009: Training for workers on use of PPE and other materials, such as shoes, in factory environment implemented. Follow-up monitoring will be done to ensure worker compliance is ongoing.	
7. Freedom of Association and Collective Bargaining																							
Employers will recognize and respect the right of employees to freedom of association and collective bargaining																							
Other				Worker Welfare Committee has been selected during January 2005. But, committee is ineffective and workers not familiar with members and their activities.			Attendance record review; personnel file review; management, worker and WWC member interviews		Factory shall request WWC to have monthly meetings starting immediately, documenting meetings and helping to promote this committee with workers. Post photos of WWC members in all areas of factory where employees may gather, so general employees can identify who their WWC committee members are. Send TOW/ODC meeting notes in local language and translated into English for October 2005 meeting and photos of WWC members posted at factories by November 15, 2005.	11/1/2005; 11/15/2005	WWC now arranging meetings and helping to promote this committee with workers. Factory shall send meeting notes for October and photos of WWC members posted at factory by November 15, 2005.	TOW found evidence of increased maternity benefits and financial assistance for housing for workers through WWC involvement during worker interviews in December 2005.		ODC reviewing and working with factory on revised handbook and training of workers.		WWC consisted of 17 members. Compliance Officer is chairman of committee. Factory posted photo of WWC members on notice board on production floor. But, most members had left factory. Workers not aware of role and responsibilities of WWC. Factory did not arrange WWC meetings on monthly basis and keep WWC's meeting minutes as per remediation plan of PC. Workers still not familiar with this committee, but were aware that Compliance Officer and Welfare Officer were members of WWC.	Focus group discussion; management and worker interviews; visual inspection	On-location auditor to confirm WWC meeting by May 2009.		**COMPLETE:** New Workers Participation Committee (WPC) of 16 members (13 workers, 3 management) elected May 30, 2009. But, new committee needs to be made functional with sufficient training on roles and responsibilities.	Document review; worker and WPC member interviews	**COMPLETE:** November 2009: New orientation program has been implemented and all staff will become familiar with WPC and its responsibilities. We are excited about this committee, as it will assist with the continued monitoring of new policies and procedures regarding health, safety and wages/benefits and new systems being implemented at factory.	
8. Wages and Benefits																							
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits																							
Wage Benefits Awareness		Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law.	Workers are not aware of the salary calculation, incentive system, entitlements and benefits.				Worker and management interviews; group discussion with workers		Factory shall immediately start communicating with employees in writing and hold an employee meeting to explain employees' wages, incentives systems, benefits and bonuses that each employees are entitled to by law. Send TOW/ODC copy of meeting notes and photos from employee meetings by November 1, 2005.	11/1/2005	Factory shall immediately start communicating with employees in writing and hold employee meeting to explain employees' wages, incentives systems, benefits and bonuses that each employee is entitled to by law. Factory will send copy of meeting notes and photos of meetings held by November 1, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory provided TOW with employee meeting notes on training of wages and benefits. Also signed attendance sheet from meeting, December 2005.	Meeting notes from benefits and wage meeting and attendance sheet kept in files.			Workers still not aware of salary scale and benefits they are entitled to by law. Workers informed that factory did not arrange any training for workers on wages, incentive system, benefits and bonus. Management produced a training schedule where there was mention of factory CoC. No specific training schedule found focusing on abovementioned issues.	Worker and management interviews; payroll sheets and training schedule review	Factory conducts periodic training; sign-in sheets from training to be provided to TOW by May 2009.		**COMPLETE:** Workers aware of wages and benefits, overtime calculation, bonus system. Worker training conducted on above issues.	Worker interviews, training document review		
Payroll Reporting		Accurate and reliable payroll reporting, including pay stubs will be provided.	Payroll not in local language; double record keeping and payment practiced; no payment date mentioned on payroll.				Sample payroll check and documentation check; management interview		Factory will change payroll system to be in local language starting October 2005. Please send copy of payroll records for October by November 15 to TOW/ODC. Double record keeping not an acceptable practice. This must be stopped immediately. Please have upper management draft letter to TOW and ODC stating they will no longer keep double books to hire OT hours in future.	11/15/2005	Factory trying to change payroll system in local language. Double record keeping fully stopped now.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory submitted letter from upper management stating that practice of double books to hide OT has stopped and will not continue to occur, December 2005.	Letter is kept in factory file.			Payroll sheets still not in local language. We have checked time records, payroll sheets and interviews with some workers. We did not find any evidence of double record keeping or discrepancies between records and actual payments made. Payroll sheets indicate date of payment.	Management and worker interviews; payroll sheets and time record review	On-location auditor to confirm payroll sheet in local language; copies to be sent to TOW by May 2009.		**INCOMPLETE:** Payroll not in local language. Factory maintains 2 sets of records to handle different buyers. In first set of records they show only legal working hours with 2 hours of OT/day. But on 2nd set of records they record all work hours, including excessive OT and Friday work. They pay workers on actual work hours on 2nd set of records and payment is accurate.	Document review, management interview	**COMPLETE:** August - October 2009: Plan implemented to begin using new payroll system this fall. This new software system will assist with monitoring of all records and ensure that this is provided accurately in local language of workers and management staff.	
Pay Statement		Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions.	Deduction amount for absenteeism not clearly indicated on payroll.				Payroll check; management interview		Factory will change payroll system to be in local language starting October 2005. Please send copy of payroll records for October by November 15 to TOW/ODC. Double record keeping not an acceptable practice. This must be stopped immediately. Please have upper management draft letter to TOW and ODC stating they will no longer keep double books to hire OT hours in future.	11/15/2005	Factory trying to change payroll system in local language. Double record keeping fully stopped now.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory submitted letter from upper management stating that practice of double books to hide OT has stopped and will not continue to occur, December 2005.	Letter is kept in factory file.			On payroll sheet there is an item in last column of sheet, "Deducted Amount," but no specification regarding deduction.	Payroll sheets and time record review; management interview	On-location auditor to confirm payroll sheet contains detailed deduction; copies to be sent to TOW by May 2009.		**INCOMPLETE:** Payroll not yet in local language. Factory informed that starting next month they are going to change payroll into local language with necessary updates.	Document review, management interview	**COMPLETE:** August - October 2009: Plan implemented to begin using new payroll system this fall. This new software system will assist with monitoring of all records and ensure that this is provided accurately in local language of workers and management staff.	
Time Recording System		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards	Time recording is manual, maintained in register and in full control of supervisor in charge. Workers have no authority in recording their in and out time. (Factory has initiated thumb reader electronic system, but it is not functional and will take 2 months to become operative.)				Visual inspection; management and worker interviews		Factory has initiated thumb reader time keeping system, but it is not currently operating. Until this system is operating correctly, factory will need to have alternative reliable system in place, such as time cards that employees punch, not supervisors. Please confirm you will have employees start using time cards to clock in and out until thumb reader system is operational. Please send TOW/ODC copies of time cards for 10 employees for month of October 2005 by November 15.	11/15/2005	Employees using time cards to clock in and out until the thumb reader system is operational. Factory will send time cards for 10 employees for month of October by November 15, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory has completely installed and is currently using finger print system for recording time. ODC to check on visit in February 2006.				Time recording still done manually and recorded on time card only. Supervisor has full control over it. Workers only put their signature on time cards and have no personal control over recording of their in and out times.	Payroll sheet and time record review; management interview	On-location auditor confirms thumbprint time recorder in addition to manual time cards; however, time still calculated from manual time cards.		**INCOMPLETE:** Still recorded manually by supervisor and time keeper. Factory has initiated barcode system, but still not functional and expects to make functional from July 2009.	Document review, management interview	**COMPLETE:** August - October 2009: Plan implemented to begin using new payroll system this fall. This new software system will assist with the monitoring of all records and ensure that this is provided accurately in local language of workers and management staff.	
Legal Benefits		Employers will provide all legally mandated benefits to all eligible workers.	Leave benefit not practiced properly. Earned leave not given to workers; festival leave paid only with 2 aid holidays (5+5) days; casual leave sometimes not paid depending on superiors; maternity leave allowed, but not paid (workers encouraged to avail of 2 months, instead of 12 weeks).				Worker and management interviews; record review		Based on local laws concerning leave, factory shall immediately start following local law and giving employees the legally required leaves as stated for annual, festival, casual/sick and maternity leaves. Management shall revise employee handbook to state policies and send TOW/ODC copy of revised handbook in local language and in English by November 1, 2005.	11/1/2005	Factory has already started to give sick leave and maternity leave. They shall immediately start following local law and giving employees legally required leaves as stated for annual, festival and casual leaves. Factory will send a copy of revised handbook by November 1, 2005.	factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory has established log for leave and maternity leave. Factory has provided copies of paperwork, December 2005. Still need copy of revised worker handbook, ODC to check on February 2006 visit.	Factory has provided copies of paperwork, December 2005.	ODC working with factory on revised handbook. Once finalized, asking factory to confirm training of workers.		Leave benefit still not practiced properly. Earned leave not given to workers, but factory management informed that earned leave of 2006 will be given at end of 2007. Festival leave given in form of 2 Eid holiday days. Casual, sick and maternity leaves given in compliance with local law.	Worker interviews; review of time records, leave register, worker personnel files and payroll sheets	On-location auditor to confirm leave benefit practiced properly May 2009.		**COMPLETE:** Factory has list of festival holidays on different festive days, which is also posted and maintained accordingly. Benefit given to workers along with casual, sick and maternity leaves.	Documents review; management and worker interviews		
Legal Compliance for Holiday/Leave		Workers will be paid for holidays and leave as required by law.	Friday (weekly day off) work paid as OT, but not compensated with compensatory day off within 3 days, as per law.				Worker and management interviews; record review		Factory shall immediately start giving all employees who work on a weekly holiday a substitute day off within legally subscribed 3 days of weekly holiday. Send TOW/ODC 10 employee time cards, attendance records and salary sheets for month of October 2005 by November 15th as evidence this has been corrected.	11/15/2005	Factory has started to give all employees who work on a weekly holiday substitute day off within legally subscribed 3 days of weekly holiday. Factory will send 10 time cards, attendance records and salary sheets for month of October by November 15, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory sent time cards, attendance records and salary sheets showing that they are providing employees with appropriate pay and time off, December 2005. ODC to ask for records for January 2006 to review.	Documents kept in factory files.			Work on weekly off day compensated as OT, but no compensatory day off given within 3 days as per law.	Worker interviews; review of time records, leave register, worker personnel files and payroll sheets	On-location auditor to confirm compensated day off is given 5/09		**INCOMPLETE:** Work on weekly off days (2 to 3 Fridays per month) conducted and although paid as overtime, it results in continuous work, up to 20 days without a break.	Document review, worker interviews	**INCOMPLETE:** September 24, 2009: More effective production schedule planning discussed with factory management. TOW reassured that full attention would be paid to limiting staff hours to within the 60 hours a week limit and that Friday as an off day will be maintained going forward. November 1 - December 31, 2009: Follow-up discussion ongoing regarding PO's placed at [Factory name] for TOW headwear orders. Evaluation of work schedule is ongoing; total hours worked per week decreasing steadily.	
False Payroll Records		Employers will not use hidden or multiple payroll records in order to hide OT, falsely demonstrate hourly wages, or for any other fraudulent reason.	Factory maintains hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages.				Management interview; record review		Double record keeping is not an acceptable practice. This must be stopped immediately. Please have upper management draft letter to TOW and ODC stating they will no longer keep double books to hire OT hours in future.	11/1/2005	Double record keeping has already been stopped.	Factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. Factory submitted letter from upper management stating that practice of double books to hide OT has stopped and will not continue to occur, December 2005.	Letter is kept in factory file.			Factory did not maintain any hidden or multiple payroll records in order to hide overtime or to falsify hourly wages.	Payroll sheet and time record review; management interview			**INCOMPLETE:** Factory maintains 2 sets of records to handle different buyers. In first set of records they show only legal work hours with 2 hours OT/day. But on 2nd set of records they record all work hours, including excessive OT and Friday work. They pay workers on actual work hours on 2nd set of records and payment is accurate.	Document review, management interview	**COMPLETE:** August 2009: Addressed this with factory management, letting them know this practice is not acceptable and won't be tolerated going forward. We have been reassured that with focus the management team's placing on overseeing production schedule more accurately, along with new payroll system tracking hours worked more effectively, they will be able to control all aspects of records management system.	
Accurate Benefit Compensation		All employees will be credited with all time worked for an employer for purposes of calculating length of service to determine the benefits to which workers are entitled.	Some daily workers have been working in factory for a long time (up to 4 years continuously), but have not been absorbed as regularized workers.				Attendance record review; personnel file review; management and worker interviews		Factory shall immediately recognize time each employee has worked with company and pay them according to local law. Please send TOW/ODC complete record of all employees showing date of hire, current pay scale and gradation pay scale required by local law by November 15, 2005.	11/1/2005; 11/15/2005	Daily workers don't work regularly. Most work 3 - 4 days a week, so factory has not absorbed them as regularized workers.	Factory submitted records showing immediate recording of new employee's attendance, time cards and salary sheets, December 2005.	Records kept in the factory files.			Approximately 11-20 daily laborers working on different floors 3-4 days a week. Workers working for long hours, but not continuously. Payment made on weekly basis, but records are maintained on daily basis through daily payment sheet.	Management and daily laborer interviews; daily laborer record and daily payment sheets review			**INCOMPLETE:** Out of 20 daily workers, 3 to 4 found working continuously/everyday for factory, but they were not being regularized.	Document review, worker interviews	**COMPLETE:** August 2009: We advised for new policy to be implemented for these daily workers being given permanent worker status if they were due this assignment. October 2009: Factory management verified they changed worker status on all eligible workers (3) who qualified for this change. Ongoing monitoring of this will ensure compliance going forward.	
Other				Newly hired workers' names and attendance records not maintained immediately upon hire. Workers who started work on 17 of month found not to have had names and attendance recorded in attendance register by end of month. Only if workers continue to come and become regular, is their attendance recorded by line chief to prepare monthly wages.			Supervisor, worker and new worker interviews; attendance record review; full process review		Factory shall immediately have all new employees listed on all attendance records starting from date of hire. Send TOW/ODC 5 complete sets of new employee's records, showing applications, contracts, and for month of October 2005, their attendance records, time cards and salary sheets by November 15, 2005.	11/15/2005	Factory is now keeping all new employees attendance records from date of hire. Factory will send 5 complete sets of new employee records, showing their applications, contracts, and for October attendance record, time cards and salary sheets by November 15, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory submitted records showing immediate recording of new employee's attendance, time cards and salary sheets, December 2005.	Records kept in factor files.			During floor visit we found time card of worker who had joined on September 1, 2007, but no record/entry of any work time on time card.	Payroll sheets and time record review; floor visit; newly recruited worker interviews	On-location auditor to confirm all workers are receiving credit for time worked by May 2009.		**COMPLETE:** All workers (including new workers) time records maintained properly on time cards and OT register.	Document review, worker interviews		
Other				Wages are also deducted sometimes for leave applied and approved by management.			Worker and management interviews; personnel file and attendance record review		Based on local laws concerning leave, factory shall immediately start following local law and giving employees legally required leaves as stated for annual, festival, casual/sick and maternity leaves. Management shall revise employee handbook to state above policies and send TOW/ODC copy of revised handbook in local language and in English by November 1, 2005.	11/1/2005; 11/15/2005	Factory has already started to give sick and maternity leaves. They shall immediately start following local law and giving employees legally required leaves as stated above for annual, festival and casual leaves. Factory will send copy of revised handbook by November 1, 2005.	Factory established log for leave and maternity leave. Factory provided copies of paperwork.	Copies of log kept in factory files.			From review of records for last 12 months, as well as worker interviews, we found no evidence or heard any complaints from workers regarding wage deductions for approved leave.	Worker interviews; time record, leave register, worker personnel file and payroll sheets review			**COMPLETE:** No deduction made from wages in form of informal punishment.	Document review, worker interviews		
WBOT 4: Timely Payment of Wages																				**NEW FINDING:** Payment date not maintained within 7 working days of next month. Factory could not maintain payment date for last 6 months. Payment of May 2009 not paid until June 16, 2009, the 2nd day of audit.	Document review; worker and management interviews	**COMPLETE:** August 2009: We discussed the matter of timely payments to all workers with factory management and were reassured this will not be an issue going forward. Further monitoring of payroll records will assist us in ensuring this is the case going forward. New payroll system being implemented will assist management team in processing more accurate payroll to workers.	
9. Hours of Work																							
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.																							
Overtime Limitations		Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	Daily, weekly, and monthly working hours with overtime are not maintained. Daily overtime is sometimes 4 hours a day and monthly more than 75 hours in June and July 2005. In December 2004, the overtime exceeded 100 hours. Continuous work happened in December 2004; May 6, 20, 2005; July 29, 2005.				Worker interviews; document review with management		According to Factories Act, 1965, Sections 51 & 53, where overtime is paid, no adult worker allowed to work more than 60 hours per week or 56 per week on an average in a year. According to local law, a worker is expected to work up to 60 hours a week (8 hours normal shift + 2 hours overtime/day x 6 days/week = 60 hours). Factory must comply with local law and our code of conduct concerning hours of work. Send TOW/ODC 10 employee's time cards, attendance records, salary sheets for month of October 2005 by November 15, 2005.	11/15/2005	Factory is trying to follow our local law. Factory will send 10 employee time cards, attendance records, salary sheets for October by November 15, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory submitted time cards, attendance records, salary sheets in December 2005, showing they are giving workers appropriate time off. Factory is still working OT weekly about 6 hours over. TOW/ODC will continue to work with factory to get their OT in legal limits.	Records kept in factory files.			Factory did not comply with limits for overtime hours for daily, weekly and monthly work as per local law and PC remediation plan. In some cases daily overtime was as long as 10 hours a day; a maximum of 89 hours were recorded in April 2007, 119 hours in May 2007, 122 hours in June 2007 and 112 hours in July 2007. Workers worked continuously from May 5-20, 2007.	Worker interviews; time record, leave register, worker personnel file and payroll sheets review	Overtime is an ongoing challenge. Working with factory by altering order schedules to alleviate necessity of overtime. On-location auditor to review overtime work by May 2009.		**INCOMPLETE:** Weekly overtime limit of 60 hours/week not maintained. Weekly working hours go up to average 66 hours to maximum 90 hours (including weekly day off work) in April and May 2009. But in January 2009, working hours were within legal limit of 60 hours/week.	Document review, worker interviews	**INCOMPLETE:** September 24, 2009: More effective production schedule planning discussed with factory management. TOW reassured that full attention would be paid to limiting staff hours to within the 60 hours a week limit and that Friday as an off day will be maintained going forward. November 1 - December 31, 2009: Follow-up discussion ongoing regarding PO's placed at [Factory name] for TOW headwear orders. Evaluation of work schedule is ongoing and total hours worked per week is decreasing steadily.	

			IEM Findings						Remediation					Updates		Third-Party Verification		Company Verification Follow Up		Third-Party Verification		Company Verification Follow Up	
FLA Code/Compliance Issue	**Country Law/Legal Reference**	**FLA Benchmark**	**Noncompliance**	**Risk of Noncompliance**	**Evidence of Noncompliance (Uncorroborated)**	**If Not Corroborated, Explain Why**	**Sources/ Documentation Used For Corroborating**	**Notable Features Implemented by Factory or Company**	**PC Remediation Plan**	**Target Completion Date**	**Factory Response (Optional)**	**Company Follow Up**	**Documentation**	**Company Follow Up**	**Documentation**	**Third-Party Verification (September 12, 2007)**	**Documentation**	**Company Follow Up**	**Documentation**	**Third-Party Verification (June 15-16, 2009)**	**Sources/ Documentation Used for Corroborating**	**Company Follow Up (August-November 2009)**	**Documentation**
Reduce Mandated OT		Employer will demonstrate commitment to reduce mandated overtime and to enact a voluntary overtime system to meet unforeseen situations.	No documents found to verify that OT is voluntary.				Management interview, record review		All overtime should be voluntary and sign-up sheet should be posted for all overtime work. Factory will update its worker handbook to reflect this policy and start it by October 1, 2005. Send TOW/ODC a copy of revised handbook and sign-up sheet from October by November 15, 2005.	11/15/2005	Factory now maintaining sign-up sheet to prove all overtime is voluntary. Besides this, factory informs workers every day for their OT hours before starting their OT. Factory will send copy of revised handbook and a sign-up sheet for October by November 15, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory provided copies of voluntary OT sign-up sheets. TOW found no evidence of forced OT through interviews during follow-up audit. ODC to check on February 2006 visit.	Records kept in factory files.	Factory provided voluntary OT sign-up sheets for ODC to review.		Factory maintained sheet with workers' signatures to document workers' consent for voluntary OT, but not on regular basis. Management did not post any advance notice to ensure voluntary work. Factory distributed old handbooks printed prior to August 2005 and therefore do not address issue.	Worker and management interviews; floor visit; time and other records review	Factory to provide updated handbook to TOW by May 2009.		**COMPLETE:** Workers' signatures on time cards and OT sheet maintained. Factory has developed production output tracking system or database to monitor regular output and reduce overtime.	Document review; worker and management interviews		
Explanation of Continued Required OT		If employer repeatedly requires overtime in order to respond to same situation, employer will explain why it will not have sufficient staff on hand to avoid the necessity of overtime.	No explanation of continued required OT is maintained.				Management interview, record review		Employers shall be able to provide explanation for all periods when the extraordinary business circumstances exception has been used. Employers shall take reasonable steps to inform workers of nature and expected duration of circumstances. Factory shall immediately start documenting all OT hours worked and why. This register shall be kept at all times and be available to any inspector as required. Please send TOW/ODC copy of register for month of October 2005 by November 15, 2005.	11/15/2005	Factory shall immediately start documenting all overtime hours worked and why. Factory will send a copy of this register for October by November 15, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. ODC to check on February 2006 visit.		Factory provided voluntary OT sign-up sheets for ODC to review.		Factory does not maintain any documents regarding explanation for continued required OT.	Management interview, record review	On-location auditor to verify factory maintaining documents regarding explanation for continued required OT by May 2009.		**INCOMPLETE:** No reason/explanation recorded for continued overtime work maintained.	Document review	**COMPLETE:** August - October 2009: Discussion with factory management regarding this issue unveiled an obvious communication gap between management team and factory staff. We are hopeful that WPC will assist communication on all levels.	
Overtime Explanation		Employers shall be able to provide explanation for all periods when extraordinary business circumstances exception has been used. Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances.	No record maintained as explanation for overtime practice.				Management interview, record review		Employers shall be able to provide explanation for all periods when the extraordinary business circumstances exception has been used. Employers shall take reasonable steps to inform workers of nature and expected duration of circumstances. Factory shall immediately start documenting all OT hours worked and why. This register shall be kept at all times and be available to any inspector as required. Please send TOW/ODC copy of register for month of October 2005 by November 15, 2005.	11/15/2005	Factory shall immediately start documenting all overtime hours worked and why. Factory will send a copy of this register for October by November 15, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. ODC to check on February 2006 visit.		Factory provided voluntary OT sign-up sheets for ODC to review.		Workers did not know reason for overtime work. Still no record maintained for explanation of reasons for overtime, but management maintained sheet with workers' signatures as proof of workers consent to do overtime work.	Worker and management interviews; record review	On-location auditor to verify factory maintaining documents regarding explanation for continued required OT by May 2009.		**INCOMPLETE:** Overtime or excessive overtime is a regular practice for factory. Workers not communicated reason for overtime. Only workers' signatures maintained as proof of consent for doing overtime.	Document review, worker interviews	**COMPLETE:** August - October 2009: Discussion with factory management regarding this issue unveiled an obvious communication gap between management team and factory staff. We are hopeful that WPC will assist communication on all levels.	
Legal Compliance with Protected Workers		Factory will comply with all applicable laws governing work hours, including those regulating or limiting the nature and volume of work performed by women or workers under the age of 18.	Women work more than the legal limit, i.e., past 8pm, sometimes as late as 10pm.				Record review; worker interviews		Factory shall immediately comply with local law and not allow women to work past 8pm and before 7am. Send TOW/ODC 10 women employee salary records, including timecards, attendance records, and salary sheets for month of October 2005, by November 15, 2005 as evidence this has been corrected.	11/15/2005	Factory trying not to allow women to work past 8pm. Factory will send 10 women's employee salary records, time cards and attendance records for October by November 15, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. TOW found no evidence of women's work carried out more than legal limit through interviews during follow-up audit in December 2005.				Women workers still worked more than legal limit, i.e., later than 8pm, sometimes from 8am until 7am the next day.	Worker and management interviews; floor visit	On-location auditor to verify women are working no more than legal limit May 2009.		**INCOMPLETE:** Women work after 10pm, but no separate consent taken for work after 10pm.	Document review, worker interviews	**COMPLETE:** August - October 2009: Discussion with factory management regarding issue unveiled obvious communication gap between management team and the factory staff. We are hopeful that WPC will assist communication on all levels. We have expressed our concern over scheduling of female workers outside of accepted hours and have been assured that these practices will no longer be followed.	
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary.	No recording system of voluntary overtime.				Record review; worker interviews		All overtime should be voluntary and sign-up sheet should be posted for all overtime work. Factory will update worker handbook to reflect this policy and start it by October 1, 2005. Send TOW/ODC copy of the revised handbook and sign-up sheet from October by November 15, 2005.	11/15/2005	Factory now maintaining sign-up sheet to prove all overtime is voluntary. Besides this, factory informs workers every day on their OT hours before starting their OT. Factory will send copy of revised handbook and sign-up sheet for October by November 15, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory provided copies of voluntary OT sign-up sheets. TOW found no evidence of forced OT through interviews during follow-up audit. ODC to check on February 2006 visit.	Records kept in factory files.			Factory maintained sheet with workers' signatures to document workers' consent for voluntary overtime, but not a regular basis.	Worker and management interviews; floor visit; review of time and other records			**COMPLETE:** Workers' signatures on time cards and OT sheet maintained.	Document review, worker interviews		
10. Overtime Compensation																							
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.																							
Accurate Recording of OT Hours Worked		Employees will be paid for all hours worked in a work week. Calculation of hours worked must include all time that employer allows or requires worker to work.	As time and overtime recording system is manual and maintained by supervisor, there is evidence of manipulation of OT data by floor level management as punishment for mistakes in work.				Management interview; attendance record and payroll review		Employees will be paid for all hours worked in work week. Calculation of hours worked must include all time that employer allows or requires worker to work. Factory shall immediately start using time cards for all records of time worked until thumb reader electronic system is in place and operating correctly, so supervisors will not have control of any documents that can be manipulated. Please send TOW/ODC copies of time cards for 10 employees for month of October 2005 by November 15.	11/15/2005	Factory using time cards for all records of time worked until thumb reader electronic system is in place and operating correctly. Factory will send 10 time cards for October by November 1,5 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory has installed and is currently using the fingerprint time recording system. TOW/ODC are monitoring this and will receive records from system. ODC to check on February 2006 visit.		ODC to get records from newly installed thumb reader. Records received and factory has now changed from thumb reader to card swipe because of accuracy. ODC witnessed employees swiping cards.		From records review and worker interviews, we did not find any evidence of manipulation of OT records by floor level management as punishment for mistakes in work.	Worker and time executive interviews; floor visit floor; time card review			**COMPLETE:** Recording is still manual but no case of deduction identified.	Document review, worker interviews		
OT Compensation Awareness		Workers shall be informed about overtime compensation rates, by oral and printed means.	Workers are not aware of the overtime rate and calculation system.				Worker interviews		Factory shall, starting in October 2005, provide pay statement that will show employees' earned wages; regular and overtime pay and hours; any bonuses; and all deductions taken from their pay. Send TOW/ODC 10 employees' pay statements, time cards, salary sheets and attendance records for month of October 2005 by November 15, 2005.	11/15/2005	Factory now providing pay statement that will show the employee wages; regular and overtime pay and hours; any bonuses and; all deductions taken from their pay. Factory will send 10 employees' pay statements, time cards, salary sheets and attendance records for October by November 15, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. TOW found no issues through interviews with workers in December 2005. ODC will check for pay statements showing employee wages, OT and regular pay, etc., in February 2006 visit.				Workers are aware of their overtime hours and overtime compensation.	Worker interviews; review of worker handbook, orientation program and schedule			**COMPLETE:** Workers are aware about the overtime hours and compensation.	Worker interviews		
Miscellaneous																							
Other (New and Fired Workers)				Factory does not maintain number and list of fired and newly recruited workers on monthly basis. On request of auditor, factory could only provide records for new recruits on monthly basis, but failed to provide record for terminated workers.			Attendance record and personnel file review; management and worker interviews		Factory shall immediately have all new employees and fired workers listed on all attendance records starting from date of hire. Send TOW/ODC 5 complete sets of new employee and fired worker records, showing their application; contract; and for month of October 2005, their attendance records, time cards and salary sheets by November 15, 2005.	11/1/2005; 11/15/2005	Factory now keeps all new employees and fired workers listed on all attendance records starting from date of hire. Factory shall send 5 complete sets of new employee and fired worker records, showing their application; contract; and for October their attendance records, time cards and salary sheets by November 15, 2005.	Factory did not send remediation items by November 1, 2005, asking that it be given to TOW on December visit. Factory submitted records showing the immediate recording of new employee attendance, time cards and salary sheets, December 2005.	Records kept in factory files.			Records were maintained for the disciplined or migrant workers on a monthly basis.	Worker personnel file review; migrants/terminated /newly recruited workers list; management and worker interviews			**COMPLETE:** Records maintained for all new workers and resigned/separated workers.	Document review		
Other (Worker Group Insurance)																				**NEW FINDING:** Workers' group insurance not renewed (ended June 6, 2009). The required amount was paid by factory on June 16, 2009, the 2nd day of audit, but certificate not yet obtained.	Document review, management interview	**COMPLETE:** June 2009: Worker insurance payments made on June 16, as noted in audit findings. In discussing this matter with factory management, we expressed our concern over this expiring before the payment for new term was in effect. Factory management assured TOW this would not lapse again in future; we are hopeful that this is correct. Copies of new insurance certificates have been sent to FLA for review.	Photos are sent to FLA for review.