



2011

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: 47 Brand, SanMar, Top of the World

COUNTRY: Bangladesh

FACTORY CODE: 380205191J

MONITOR: Shah Muhammad Nurul Azam

AUDIT DATE: September 10 -11, 2011

PRODUCTS: Caps

PROCESSES: Cutting, Sewing, Finishing,
Embroidery

NUMBER OF WORKERS: 845

FLA Comment: *Factory management has informed us that any orders we send will be fulfilled at [Factory name] or the [Factory name], 2 other facilities which the same group owns. At the time of this Shared Audit we had no orders or product in this facility. 47 Brand took the lead on the audit and worked with TOW and Sanmar towards remediation. Following 47 Brand's departure from this facility, Top of the World will take the lead on this audit.*



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Wages, Benefits and Overtime Compensation: Holidays, Leave, Legal Benefits and Bonuses

WBOT.5 Employers shall provide all legally mandated holidays, leave, benefits and bonuses, such as official holidays, annual leave, sick leave, severance payments and 13th month payments, to all eligible workers within legally defined time periods. In addition, all leave and bonuses shall be calculated correctly. (S)

Noncompliance

Explanation: Upon resignation, workers are provided with the Final Settlement Benefit. However, workers who are members of the Provident Fund scheme are not provided with the bank interest from their Provident Fund contribution when they withdraw their Provident Fund contribution either by resigning or withdrawal based on other reasons.

Plan Of Action: HR team will review current practice and implement a new company policy ensuring that full payments are provided to workers upon resignation. A review of all previous resignation payouts shall be conducted and any employees that have not been properly paid out shall receive payment immediately.

Deadline Date: 10/10/2011

Supplier CAP: All employees will be paid out accurately and timely upon resignation. We will review the new policy once implemented and maintain the proper procedure.

Supplier CAP Date:

Action Taken:

Plan Complete: No

Plan Complete Date:



Wages, Benefits and Overtime Compensation: Minimum Wage

WBOT.2 Employers shall pay workers at least the legal minimum wage or the prevailing industry wage, whichever is higher. (S)

Noncompliance

Explanation: Record review found that around 25% of the randomly selected workers were downgraded from a senior position to a junior position, i.e., from grade 3 to grade 4, 5 or 6, while updating the minimum wages in November 2010. Later, factory increased some workers' wages in June 2011, but the amounts are still below the minimum wage.

Legal reference: Labor Code 2006, Section 149. Prohibition on the payment of wages at the rate below the minimum wage rate of wages: 1) No employer shall pay any worker wages at a rate lower than the rate declared or published under this chapter.

Plan Of Action: Workers should be paid the pay grade they were downgraded from prior to the minimum wages update.

Sustainable Solutions: A quarterly review of all workers' pay levels should take place. Downgrading of pay levels should only occur if the employee is downgrading positions or being promoted. Any and all changes must be documented and kept with all employee files.

Deadline Date: 11/10/2011

Supplier CAP: Following local labor law, we have revised designation on the basis of actual job, and designation is related to specific grade. Before implementation of new law, we had many mismatches between actual job and grade. We discussed and shared the total change in process with workers before implementation. Due to this change, every workers' wage increased significantly; we did receive not a single complaint. Moreover, many workers got a higher grade because of actual job description. Maybe there are cases where someone got downgraded compared to previous systems, BUT current job designation and grade is the true implementation of local labor laws. At some point, we have to do the rectification and we just did it. However, we will review to find and make corrections if any mistakes were made (not just downgrade, must match present job description).

Supplier CAP Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

Wages, Benefits and Overtime Compensation: Accurate Calculation and Recording of Wage Compensation

WBOT.17 All payments to workers, including hourly wages, piecework, benefits, bonuses, and other incentives shall be calculated and recorded accurately. (S)

Noncompliance

Explanation: Although management reported that workers may work overtime after 7pm and on weekly days off, no payment records were kept regarding this overtime and weekly day off work for the months before August 2011.

Plan Of Action:

1. HR team will implement a company policy to maintain all payment records, including all overtime hours.
2. Communicate plan to management and conduct weekly review of all pay records.
3. Ensure that all records are accurate and available to auditors. Keep 12 months of records available on site.

Sustainable Solutions:

1. Assign a senior manager to oversee the maintenance of adequate records.
2. Create a plan to keep all records/time cards for employees for 12 months.

Deadline Date: 10/10/2011

Supplier CAP: We will keep records of actual working hours/payments. This information is to be made available to all auditors. A location must be dedicated to maintain these records so that they are kept dry; easily accessible, and secure, so only senior managers and HR have access.

**Supplier
CAP Date:**

**Action
Taken:**

Plan **No**
Complete:

**Plan
Complete
Date:**

Wages, Benefits and Overtime Compensation: Record Maintenance

WBOT.21 Employers shall ensure that all legally required payroll documents, journals and reports are available, complete, accurate and up-to-date. (P)

Noncompliance

Explanation: There were no authentic and accurate payroll records, as weekly day off work records are maintained manually and after the payment those records are destroyed. Factory management reported that the extra overtime and weekly day off work is paid fortnightly, but payment records are not maintained.

**Plan Of
Action:**

1. HR team will implement a company policy to maintain all payment records, including all overtime hours.
2. Communicate the plan to management and conduct weekly review of all pay records.
3. Ensure that all records are accurate and available to auditors. Keep 12 months of records available on site.

Sustainable Solutions:

1. Assign senior manager to oversee the maintenance of adequate records.
2. Create a plan to keep all records/time cards for employees for 12 months.



Deadline Date: 10/10/2011

Supplier CAP: We will keep records of actual working hours/payments. This information is to be made available to all auditors. A location must be dedicated to maintain these records so they are kept dry; easily accessible, and secure, so only senior managers and HR have access.

Supplier CAP Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

Freedom of Association: General Compliance Freedom of Association

FOA.1 Employers shall comply with all local laws, regulations and procedures concerning freedom of association and collective bargaining. (S)

Noncompliance

Explanation: Workers' Participation Committee (WPC) was not functional. Although factory management, maintains meeting records with WPC, workers are ignorant of the presence of any worker representatives on the floor.

Legal Reference: Bangladesh Labor Code, 2006, Section 205. Participation Committee: 1) The employer of every establishment in which 50 or more workers are employed shall, in manner prescribed by rules, constitute a Participation Committee in his establishment.

Plan Of Action: Establish a clear set of roles and responsibilities for the WPC, in collaboration with current WPC members. Identify resources that can assist WPC members in fulfilling those roles and responsibilities. Establish an ongoing training program for workers who serve on the WPC. Establish date for next election and communicate that with all employees.



Sustainable Solutions: Appoint the HR director or other senior manager to periodically review the effectiveness of the WPC as a mechanism for improving the factory's performance towards compliance with the COC.

Deadline 11/10/2011

Date:

Supplier We will reform WPC to make it more functional. Introduce WPC members to workers by displaying posters of photos and direct communication during different trainings/orientation sessions.

CAP:

Supplier

CAP Date:

Action

Taken:

Plan No

Complete:

Plan

Complete

Date:

Non-Discrimination: Pregnancy Testing

D.6 Employers shall not use pregnancy tests or the use of contraception as a condition of hiring or of continued employment. Employers shall not require pregnancy testing of female workers, except as required by national law. In such cases, employers shall not use (the results of) such tests as a condition of hiring or continued employment. (S)

Noncompliance

Explanation: Monitor observed discriminatory practices around the hiring of pregnant workers. There are 1-time quick strips for pregnancy testing (kept at the medical clinic), used during the recruitment process in case there are suspected applicants. Although factory management provided some maternity benefit records for workers who received the maternity benefit after 6 months of their joining the factory (i.e., pregnant at the time of hiring), there is not enough evidence to suggest that discrimination against female workers on the basis of pregnancy is entirely eliminated.

Plan Of Action: Develop policy reflecting the following compliance benchmark: All employment decisions shall be made solely on basis of a person's qualifications, in terms of education, training, experience, demonstrated skills and/or abilities, as they relate to inherent requirements of a particular job. Recruitment and employment policies and practices, including job advertisements, job descriptions, and performance/job evaluation policies and practices shall be free from any type of discriminatory bias, including bias against pregnant job applicants. Management shall not require pregnancy testing of female workers, except as required by national law (in such cases, employers shall not use the results of such tests as a condition of hiring or continued employment). Management shall not make any employment decision that negatively affects a pregnant woman's employment status.

Sustainable Solutions: Conduct an annual review at the factory to determine the effectiveness of the policy and to recommend any improvements.

Deadline Date: 10/10/2011

Supplier CAP: We disagree with this issue, as we never did any pregnancy testing before hiring. Auditor found a few pregnancy testing strips, then put their opinions down with a pre-conceived idea. Actually, upon request of a few workers (already hired and working), the nurse had been helping them. Other than strips, even the auditor could not prove this matter after interviewing workers. The auditor did not take our strong evidence (payment of maternity benefit before/after 6 months of joining) into consideration. However, we have strictly stopped these extra medical care activities. We firmly assure that we will not do any pregnancy testing in order to not have any confusion about the hiring process.

Supplier
CAP Date:

Action
Taken:

Plan **No**
Complete:

Plan
Complete
Date:

Code Awareness:

GEN.2 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.

Noncompliance

Explanation: Workers are not provided sufficient training on code awareness. There were no regular efforts for training workers on code elements and workplace standards. Factory arranges some trainings for new recruits after 3 months. However, most workers were found unaware of leave entitlements, number of days, and OT rates. Also observed that no code of conduct (COC) or awareness trainings held for mid-level management or staff.

Plan Of Action: Display 47 Brand, TOW, SanMar COCs in languages of workers in locations where workers can easily view them. Conduct a quarterly training program to discuss provisions of COCs with all employees. Review the provisions of COCs with new hires during their orientation and then during quarterly meetings. Post the code in dormitory (if applicable).

Sustainable Solutions:

1. Assign accountability to HR head or other senior manager to ensure provisions of the COCs are translated into languages understood by employees, including new employees.
2. Periodically assess the level of employee awareness on obligations of code provisions through interviews, surveys or other means.



Deadline 10/10/2011
Date:

Supplier We will assign HR dept to develop a training calendar and conduct training according to
CAP: schedule. Within 1 month, all employees will not be able to receive training, but
procedure will start and we will continue to create awareness among all workers.

Supplier
CAP Date:

Action
Taken:

Plan No
Complete:

Plan
Complete
Date:

Code Awareness:

GEN.3 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.

Noncompliance

Explanation: While there is a leaflet with the contact number of a local person for Top of the World posted on the notice board, there are no direct communications established for SanMar or 47 Brand.

Plan Of Action: 47 Brand communicated its contact information on the bottom of its COC; this offers direct access, through email and telephone, to Compliance Manager and company owners. 47 Brand is also working with local NGOs and CSOs to establish a communication channel via email/telephone. Trying to have this service in place by end of quarter 3. SanMar has established a communication channel for workers. Confidential email and local hotline number mentioned in our Global Operating Principles. Factory is requested to post these principles in the production area and canteen and on the notice board, and to communicate this confidential channel to workers.

Sustainable Solutions: Appoint HR director or other senior manager to periodically review the effectiveness of the WPC as a mechanism for improving the performance of the factory to comply with the COC. Brands will coordinate quarterly feedback from WPC to ensure training, awareness, and participation is taking place within the facility.

Deadline Date: 11/10/2011

Supplier CAP: We will reform WPC to make it more functional. Introduce WPC members to workers by displaying posters of photos and direct communication during different trainings/orientation sessions.

Supplier CAP Date:

Action Taken:

Plan Complete: No

**Plan
Complete
Date:**

Health and Safety: General Compliance Health and Safety

H&S.1 Employers shall comply with all local laws, regulations and procedures concerning health and safety. (S)

Noncompliance

Explanation: Factory does not have a building approval plan.

Legal Reference: The Factories Rules, 1979, Chapter-1, Section-3

Plan Of Action: Factory will contact local building department and obtain proper documents.
Sustainable Solutions: Maintain building plan in safe location in management office. Post a copy in public area.

Deadline Date: 10/10/2011

Supplier CAP: We have approved building plan and it is kept in the head office. As audit was unannounced, we could not provide it during the auditing period.

Supplier CAP Date:

Action Taken:

Plan Complete: No

**Plan
Complete
Date:**

Health and Safety: Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

Noncompliance

Explanation: Embroidery section aisles were found narrow and partly blocked, as embroidery machines were set up in the aisles. Most aisles in the embroidery section and passageways in the dining hall were not properly marked.

2. 3 out of 6 smoke detectors in the fabric store were found not functional.

3. In the embroidery section, almost all fire extinguishers found partly blocked by machines and not accessible.

Legal Reference: 1) Bangladesh Labor Code 2006, Chapter 6, Section 72. Floors, Stair and Means of Access; 2) Bangladesh Labor Code 2006, Chapter 6, Section 62 - (5); 3) Bangladesh Labor Code 2006, Chapter 6, Section 62. Precautions in Case of Fire

Plan Of Action: A factory tour will be conducted immediately. All emergency exits and aisles will be reviewed to make sure they are clear from blockages, properly marked and that emergency exit maps are clearly printed on the walls. Emergency evacuation training will take place on a quarterly basis.

Sustainable Solutions:

1. Adopt a policy that commits the facility to fire preparedness and emergency safety of all employees.

2. Communicate policy to all managers and employees.



3. Appoint a fire safety manager with the requisite skills and experience to oversee the implementation of a comprehensive fire prevention plan as it directly relates to equipment, exit plans, aisle blockages, etc.

4. Conduct a daily walkthrough of the facility to ensure all aisles and emergency exits are clear and accessible.

5. Measure and progressively reduce the risk of fire and progressively increase emergency preparedness through participation of an employee-management Safety Committee, a confidential employee helpline or through other communication channels.

6. Conduct an annual review of the fire prevention plan and incorporate needed enhancements as necessary.

Deadline Date: 10/10/2011

Supplier CAP: We will try to rearrange machines to make a little wider aisle having space limitation. However, we will ensure aisles are marked and free from obstacles.

Supplier CAP Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

Health and Safety: Safety Equipment and First Aid Training

H&S.10 All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be available in sufficient numbers throughout the factory, maintained and stocked as prescribed and easily accessible to workers. A sufficient number of workers shall be trained in first aid and fire fighting techniques. (S)

Noncompliance

Explanation: 1. Document review found that 25% of workers were not trained or certified on fire fighting. Factory has a list of 42 certified fire fighters in 1040 workers.

2. It was identified that fire fighters are not properly trained on fire fighting. Factory provides training to workers on fire fighting and documents are maintained. However, the listed fire fighters are not properly aware of how to use fire fighting equipment, i.e., fire extinguisher categories and their respective purposes, rescue procedures, etc.

Legal Reference: Factories Rule-1979, Section-52.(9) Every worker of factory should, as far as possible, be trained in the use of portable fire extinguishers, subject to a minimum of at least one-fourth of numbers engaged separately in each section of factory.

Plan Of Action: Workers who sit near fire equipment should be certified to use such equipment in accordance with local law. Appoint a qualified fire prevention manager as required by law. Consult with local authorities to identify requirements and accredited training programs. Implement a training program for all employees on fire equipment use. This training should take place during orientation, then on a quarterly basis.

Sustainable Solutions: Adopt a policy that commits to facility fire preparedness and emergency safety. Communicate the policy to all managers and employees. Appoint a fire safety manager with the requisite skills and experience to oversee the implementation of comprehensive fire prevention plan. Measure and progressively reduce the risk of fire and progressively increase emergency preparedness through participation of an employee-management Safety Committee, a confidential employee helpline or through other communication channels. Conduct an annual review of the fire prevention plan and incorporate needed enhancements as necessary. Conduct new hire training and quarterly training on specific use of fire safety equipment.

Deadline Date: 10/10/2011

Supplier CAP: Very recently, we had conducted a 5-day long Fire Safety and First Aid training by a certified professional from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). However, we will conduct MORE numbers of in-house trainings to educate workers, especially those sitting near fire fighting equipment.

Supplier CAP Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

Health and Safety: Personal Protective Equipment

H&S.11 Workers shall be provided with effective and all necessary personal protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to health and safety hazards, including medical waste. (S)

Noncompliance

Explanation: No cutting gloves observed available/provided in the cutting section, where workers were found working with band knife and cutting machines.

Legal Reference: Bangladesh Labor Code 2006, Section 79, Dangerous Operations

Plan Of Action: All employees should be provided the proper PPE within the facility. In this particular situation, all employees working in the cutting section should be provided cutting gloves immediately. HR and supervisors should conduct walkthroughs of this section of facility on a daily basis to ensure all workers have been provided proper PPE and are using it.



Sustainable Solutions: Establish and maintain, as a high priority, the safe use of machines, specialized equipment and electricity in the factory. Incorporate precautions for safe use and maintenance of machines, specialized equipment and electricity to be monitored by a health and safety monitor. Routinely seek input from employees on ways to reduce employee risk associated with machines, specialized equipment and electricity through participation of an employee-management Safety Committee, a confidential employee helpline or through other communication channels.

Deadline Date: 10/10/2011

Supplier CAP: Cutting machines are a 2-hand-push-button operation; gloves are not required, but band knife is different so cutting gloves are needed for safe operation. However, we will look into all operations and take necessary actions (including training) to ensure safe work procedures.

Supplier CAP Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

Health and Safety: Machinery Maintenance and Worker Training

H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly guarded. Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use. Employers shall ensure safety instructions are either displayed/posted near all machinery or are readily accessible to the workers. (S)

Noncompliance

Explanation: Buckle-attaching machines observed to not have pulley covers; buttonhole machines did not have finger protection guards.

Legal Reference: Bangladesh Labor Code 2006, Section 63, Fencing of Machinery- (1)(a)

Plan Of Action: All machines should have the proper safety equipment installed at all times. Pulley covers and finger protection guards should be installed and maintained on all machines, specifically the buckle-attaching machines listed in this case. HR and supervisors should set up a schedule to walk through the facility on a daily basis to ensure all machines have the proper safety equipment and guards.

Sustainable Solutions: Establish and maintain, as a high priority, the safe use of machines, specialized equipment and electricity in the factory. Incorporate precautions for safe use and maintenance of machines, specialized equipment and electricity to be monitored by a health and safety monitor. Routinely seek input from employees on ways to reduce employee risk associated with machines, specialized equipment and electricity through participation of an employee-management Safety Committee, a confidential employee helpline or through other communication channels.

Deadline Date: 10/10/2011

Supplier CAP: Cutting machines are 2-hand-push-button operations; gloves are not required; however, the band knife is different, cutting gloves needed for its safe operation. However, we will look into all operations and take necessary actions (including training) to ensure safe work procedures.

Supplier CAP Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

Health and Safety: Drinking Water

H&S.26 Safe and clean drinking water shall be freely available at all times, within reasonable distance of the workplace. Drinking water shall be of a reasonable temperature and the means to drink water (cups, etc.) must be safe and sanitary and available in an appropriate number. (S)

Noncompliance

Explanation: Drinking water was not available in embroidery section and some water tanks in sewing section were empty. Workers bring water from washroom or regular water source.

Legal Reference: Bangladesh Labor Code 2006, Section 58. Drinking Water- (1)

Plan Of Action: Test drinking water for potability. Take corrective actions to make clean water available at all times in all areas of the facility.

Sustainable Solutions: Establish a high priority for maintaining sanitary conditions in the facility. Incorporate precautions for sanitary conditions into the work of health and safety manager. Conduct an annual review of sanitation procedures and incorporate needed enhancements as necessary. Routinely seek input from employees through participation of an employee-management Safety Committee, a confidential employee helpline or through other communication channels.

Deadline Date: 10/10/2011

Supplier CAP: Government supply water is not available in this area, so we have our own source of water through underground submersible pipe. Water tank and washroom basin's water are the same; we have had water quality tested by a professional agency. We do the test every 6 months. However, we will make sure that the water tank is full in all workplaces.

**Supplier
CAP Date:**

**Action
Taken:**

**Plan No
Complete:**

**Plan
Complete
Date:**

Hours of Work: General Compliance Hours of Work

HOW.1 Employers shall comply with all local laws, regulations and procedures concerning hours of work, public holidays and leave. (S)

Noncompliance

Explanation: It was not possible to verify if factory is in compliance with local laws concerning hours of work, public holidays and leave, as factory could not provide overtime hours records for the months before August 2011.

**Plan Of
Action:**

1. Create a plan to reduce excessive overtime work hours.
2. Communicate the plan to management and employees.
3. Reduce overtime hours of work until they are routinely at or less than the allowable maximum as determined by the Workplace Code of Conduct or required by law or a collective bargaining agreement (whichever is lower). Ensure that all records are accurate and available to auditors. Keep 12 months of records available on site.

Sustainable Solutions:

1. Create a structured production calendar to accurately determine the factory's payroll needs. Review payroll records each week to gain insight as to whether planning was accurate or needs to be revisited.

2. Assign senior manager to oversee the maintenance of adequate records.
3. Create a plan to keep all records/time cards for employees for 12 months.

**Deadline
Date:** 10/10/2011

**Supplier
CAP:** We will try to improve/control working hours to be in compliance. Also, we will keep records of actual working hours/payments.

**Supplier
CAP Date:**

**Action
Taken:**

**Plan
Complete:** No

**Plan
Complete
Date:**

Hours of Work: Rest Day

HOW.2 Workers shall be entitled to at least one day off in every seven-day period. If workers must work on a rest day, an alternative day off must be provided within that same seven-day period or immediately following the seven-day period. (P)

Noncompliance

Explanation: Factory management reported that workers work on different weekly days off and after 7pm on some days. As there were no overtime records kept, it was not possible to verify the frequency and the length of overtime work on weekly days off and hours after 7pm.

Plan Of Action:

1. Create a plan to reduce excessive overtime working hours.
2. Communicate the plan to management and employees.
3. Reduce overtime hours of work until they are routinely at or less than the allowable maximum as determined by Workplace COC or required by law or collective bargaining agreement (whichever is lower). Ensure that all records are accurate and available to auditors. Keep 12 months of records available on site.

Sustainable Solutions:

1. Create a structured production calendar to accurately determine the factory's payroll needs. Review payroll records each week to gain insight as to whether planning was accurate or needs to be revisited.
2. Assign senior manager to oversee the maintenance of adequate records.
3. Create a plan to keep all records/time cards for employees for 12 months.

Deadline Date: 10/10/2011

Supplier CAP: We will try to improve/control working hours to be in compliance. Also, we will keep records of actual working hours/payments.

Supplier CAP Date:

Action Taken:

Plan No
Complete:

Plan
Complete
Date:

Hours of Work: Time Recording System

HOW.6 Time worked by all workers, regardless of compensation system, shall be fully documented by time cards or other accurate and reliable recording systems such as electronic swipe cards. Employers are prohibited from maintaining multiple time-keeping systems and/or false records for any fraudulent reason, such as to falsely demonstrate working hours. Time records maintained shall be authentic and accurate. (P)

Noncompliance

Explanation: There were no time records for overtime work and weekly day off work for the months before August 2011. Factory management reported that workers usually do not punch their cards for any work on weekly day off (except some special cases). Weekly day off time records are maintained manually and after payment, those records are destroyed.

Plan Of Action:

1. Ensure that workers work no more than 6 consecutive days in every 7-day pay period and are given a day of rest.
2. HR and management should review time cards and records on a weekly basis to ensure rest days are given and that employees are not working more than 6 consecutive days.
3. Create a plan to reduce excessive overtime working hours.
4. Communicate the plan to management and employees.
5. Reduce overtime hours of work until they are routinely at or less than the allowable maximum as determined by the Workplace Code of Conduct or required by law or a collective bargaining agreement (whichever is lower). Ensure that all records are accurate and available to auditors. Keep 12 months of records available on site.

Sustainable Solutions:

1. Create a structured production calendar to accurately determine the factory's payroll needs. Review payroll records each week to gain insight as to whether planning was accurate or needs to be revisited.
2. Assign senior manager to oversee the maintenance of adequate records.
3. Create a plan to keep all records/time cards for employees for 12 months.

Deadline 10/10/2011
Date:

Supplier We will try to improve/control working hours to be in compliance. Also, we will keep
CAP: records of actual working hours/payments.

Supplier
CAP Date:

Action
Taken:

Plan No
Complete:

Plan
Complete
Date:
