



2010

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: American Eagle Outfitters

COUNTRY: Pakistan

FACTORY CODE: 9800571164I

MONITOR: Evre Kaynak

AUDIT DATE: August 12, 2010

PRODUCTS: Shirts, Jackets, Pants,
Tracksuits

PROCESSES: Dyeing, Cutting, Finishing

NUMBER OF WORKERS: 3537



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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: None of the piece rate workers or daily workers use any leave. Despite the fact that some piece rate workers have been working at the factory for more than 4 years now and they have a regular working relationship with the factory, they still cannot receive any leave benefits. Workers also reported not being able to receive any sick leave when they were ill.

Plan Of Action: Factory management must draft a plan of action to phase in legally mandated holidays, leave, benefits and bonuses for eligible workers, according to local law. Follow-up audits will verify that consistent progress is being made. The factory will need to be fully compliant with local law within 1 year.

Revised CAP, January 2012:

1. Revise leave policy and provide HR resources.
2. Measure/monitor HR management indicators (turnover, absenteeism, sickness, piece rate vs. hourly workers/cost, etc.).
3. Meet workers' representatives on a monthly basis to discuss leave indicators.
4. Create action plans and HR instructions.
5. Allocate budget for production/HR incentives and invest more in trainings.
6. Send monthly reports to brands with indicators.
7. Revise action plans and improve continuously.

Deadline Date: 09/01/2012



Supplier CAP: All workers are provided with sick leave as of June 6th, 2011. Sick leave records sent to FLA for review. Copies of the appointment letters are provided to all piece rate workers as of July 26th, 2011. We have completed the database of stitchers. Copies of appointment letters sent to FLA for review.

June 2012: We will maintain the sick leave records accordingly as of June 25th, 2012.

Supplier CAP 06/01/2012

Date:

Action Taken: June 2011: Facility needs to implement a proper mechanism for ensuring that workers are able to use their sick leave during the year. Workers are not provided sick leave during peak production periods. Further, facility needs to maintain employment history records for piece rate workers. There are many piece rate workers that work on and off at the factory; subsequently, only their latest appointment letter is kept. Piece rate workers do not receive a copy of their appointment letters, either.

February 2012: Facility has made improvement in ensuring that all casual workers can take sick leave. However, records management is haphazard and it is vague whether all piece rate workers are provided any paid leave. Factory maintains the view that piece rate workers are not eligible for all such benefits under the law. This is to be further searched and discussed by AEO at local level in July 2012.

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: The monthly rates for most daily workers are calculated on the basis of 6600 PKR/30 days. If workers refuse to work on Sundays, they would earn less than minimum wage. One daily worker reported that they earned 4000 PKR monthly. The minimum wage declared by the government is 7000 PKR as of July 1st, 2010.

Plan Of Action: Immediate steps are to cross check if any workers' established monthly/hourly/daily rate is less than the local minimum wage. If so, raise the employee's rate to meet legal requirements.

Next steps are to:

- a) Build a system into the payroll system to notice if any employees (including piece rate employees) fall below minimum wage.
- b) Establish a system to conduct internal audits of factory's payroll system on a regular basis.

Revised CAP, January 2012:

1. Revise wage policy and provide financial resources.
2. Develop plans to change wage calculation to guarantee legal minimum wages, whether for hourly or piece rate employees.
3. Meet workers' representatives on a monthly basis to discuss changes.
4. Create action plans and clear HR instructions to mitigate even errors.
5. Allocate budget for production/HR incentives and invest more in wage pool.
6. Send monthly reports to brands with wage data.
7. Revise action plans and check continuously.

Deadline Date: 09/01/2012



Supplier CAP: From June 7th, 2011, we are calculating daily wagers' salaries by using 26 days as per Payment of Wages Act 1936. Daily wage records sent to FLA for review.

June 2012: On fortnightly basis, Compliance Coordinator will review the contractors' payment records in order to verify whether minimum wages are paid or not. Cases of noncompliance will be forwarded to the HR Manager for review and action. New formal contract will be issued to all contractors in order to bind them to ensuring they pay workers minimum wage by June 26th, 2012.

Supplier CAP 06/01/2012
Date:

Action Taken: June 2011: Facility needs to ensure that daily wagers get minimum wages. Daily wagers get less than minimum wage, as the factory calculates their daily wages by using 31 days instead of 26, as per Payment of Wages Act, 1936.

February 2012: Factory has started calculating the daily workers' wages by using 26 days as suggested. However, there is a lack of proper procedure to ensure that monthly/daily/hourly wage rates of piece rate workers do not fall below the minimum wage. For example, in the pressing department, piece rate workers are paid through contractors who maintain their payment records and there is no procedure in place to ensure that workers' payments do not fall below minimum wage level. This is to be further searched and discussed by AEO at local level in July 2012.

Plan Complete: No

Plan Complete Date:



Wages, Benefits and Overtime Compensation: Production and Incentive Schemes

WBOT.6 Employers shall not set production targets, piece rates or any other incentive or production system at such a level that workers need to work beyond normal working hours as set under the FLA Code, excluding overtime, in order to make the legal minimum wage or the prevailing industry wage, whichever is higher. (S)

Noncompliance

Explanation: Workers are given targets to complete; thusly, the OT hours worked in order to reach these targets are neither calculated nor paid.

Plan Of Action: Factory management must either develop a plan to systematically re-evaluate and adjust production targets to realistic levels or begin to compensate workers for OT incurred in an attempt to reach these targets.

Revised CAP, January 2012:

1. Revise target setting policy and related production studies.
2. Develop plans to control and avoid unpaid OT hours.
3. Meet workers' representatives on a monthly basis to discuss targets.
4. Create action plans and edit HR instructions to discipline unpaid work demands.
5. Allocate budget for production incentives and invest more in incentives pool.
6. Send monthly reports to brands with target data.
7. Revise action plans and check continuously.

Deadline Date: 07/09/2012

Supplier CAP: Counseling sessions for managers/supervisors were completed on September 15th, 17th, 22nd and 24th, 2011 in this regards. Photos and sign-in sheet of training sent to FLA for review.

Supplier CAP Date: 10/20/2011



Action Taken: June 2011: Facility continues to ask workers to stay and work unreasonable hours without compensation when they are not able to achieve their production targets.

February 2012: Factory has conducted counseling sessions for managers/supervisors. So far, all supervisors have attended 1 session. These efforts need to be continued. Employees interviewed did not report any incidence of uncompensated OT hours. Review of results and continuity of process to be verified in July 2012.

Plan Complete: No

Plan Complete Date:

Wages, Benefits and Overtime Compensation: Payment for All Hours Worked

WBOT.7 Workers shall be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work. (S)

Noncompliance

Explanation: As the system for recording working hours is not accurate, it was not possible to verify that all hours worked are being paid.

Plan Of Action: The factory should a) provide a time card recording system for recording employees' work hours and b) introduce the new work hours recording practices to all employees to make them familiar with punching their time cards whenever they start/finish work.

Revised CAP, January 2012:

1. Ensure that full transparency is the set policy and communicate this internally.
2. Develop plans to control and avoid unrecorded work hours.
3. Meet workers' representatives on a monthly basis to discuss working hours.
4. Create action plans and edit HR instructions to discipline unrecorded work.
5. Allocate budget for production incentives and invest more in incentives pool.



6. Send tri-monthly reports to brands with OT data.

7. Revise action plans and check continuously.

Deadline Date: 07/09/2012

Supplier CAP: All supervisors are reminded through memos to record all overtime hours on a single card, as we pay all overtime on a single date.

June 2012: We have reiterated this to all units again by written memo to maintain the OT in 1 place. Since March 1st, 2012, the Unit 8 supervisor is also maintaining OT record in 1 place.

Supplier CAP Date: 06/01/2012

Action Taken: June 2011: Facility needs to ensure that all OT hours worked are documented in one place. Middle management in the production units has started a practice where they do not record all OT hours worked in 1 place. Any hours exceeding 48/month are documented separately.

February 2012: Work hours recording is still manual. However, OT hours are now documented in 1 place in most units, except unit #8. The supervisor in unit #8 is still maintaining separate records. To be verified next visit in July.

Plan Complete: No

Plan Complete Date:

Wages, Benefits and Overtime Compensation: Calculation Basis for Overtime Payments

WBOT.8 Employers shall compensate workers for all hours worked. For workers on a piece rate payment scheme or any other incentive scheme, payments for overtime hours worked shall be calculated by applying the premium rate required by law or this Code on the same payment scheme as is used for calculating wages for normal working hours, unless the payment scheme used leads to higher wages for workers. (S)

Noncompliance

Explanation: There are no schemes for OT payment for piece rate workers.

Plan Of Action: Factory management must develop a strategy for ensuring that workers are compensated fairly, and in accordance with local law for all hours worked, including OT incurred by piece rate workers. Future assessments will require follow up to ensure that progress is being made in the implementation of this strategy.

Revised CAP, January 2012: Validity of the legal citation, as well as the industry practice, will be checked during next assessment.

Deadline Date: 07/09/2012

Supplier CAP: This is in accordance with the W.P. Ordinance- 1969 amendment July 2006: 9. Overtime wages. When any employee is required to work overtime in any establishment, as provided in the proviso to section 8, the wages payable to such employee in respect of such overtime work shall be calculated at double the ordinary rate of wages payable to them. [Provided that no overtime shall be payable to the contract worker employed on piece rate basis.]

Supplier CAP Date: 10/20/2011

Action Taken: June 2011: Facility employs workers on piece rate and does not guarantee them any OT payment, benefits, etc. Piece rate workers are guaranteed minimum wages only and, as per the local industry practice, all wages earned by piece rate workers are viewed as inclusive of OT compensation as well as benefits.

February 2012: Facility maintains the view that piece rate workers are not eligible for OT payments under the law and they have provided a legal reference to support their stance (Finance Act, 2006 sent to FLA for review). AEO will undertake 1 final check at the local level to ensure there are no loopholes in relying on the regulation.

Plan Complete: No

**Plan
Complete
Date:**

**Action
Verified
Date:**

Wages, Benefits and Overtime Compensation: Worker Wage Awareness

WBOT.22 Employers shall make every reasonable effort to ensure workers understand the wages, including the calculation of wages, incentives systems, benefits and bonuses they are entitled to in a factory and under applicable laws. To this end, employers shall communicate orally and in writing to all workers all relevant information in the local language or language(s) spoken by the workers, if different from the local language.
(P)

Noncompliance

Explanation: Workers do not know how their wages are being calculated. Daily workers do not even know what their daily or monthly salary is for the first month of their employment.

Plan Of Action: Factory management must develop training for workers to assist them in understanding how wages and salaries are calculated. This training must also be incorporated into the new worker orientation process if one exists, or if it does not, one must be created.

Revised CAP, January 2012: The result of this action will be checked during next assessment.

Deadline Date: 09/01/2012

Supplier CAP: From October 4th, 2011, we are issuing wage slips to all workers a day before salary payment so they can check the salary calculations before receiving payment. Payment slip sent to FLA for review.

June 2012: We will be issuing Urdu wage slips from July 5th, 2012.

Supplier CAP Date: 06/01/2012

Action Taken: June 2011: Facility needs to ensure that pay slips are provided to workers after every wage cycle. Workers are not provided pay slips on a regular basis.

February 2012: Facility has started providing pay slips to workers, but they are not in the local language (Urdu). To be checked further in July 2012. Furthermore, the need to raise awareness among workers by training/counseling will be assessed and planned with management.

Plan Complete: No

Plan Complete Date:

Forced Labor: Employment Records

F.9 Employers shall maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision. (P)

Noncompliance

Explanation: Daily workers have no kind of agreement with the factory regarding hiring or employment.

Plan Of Action: Immediate step is to provide all daily workers with a written contract/appointment letter.

Next steps:

a) Enhance the recruiting policy and procedures so all employees are provided with a written labor contract/appointment letter on their first workday.

b) Establish a system to conduct internal audits of the factory's recruiting practices on a regular basis.

Revised CAP, January 2012: The results of these actions will be checked during the next assessment.

Deadline Date: 07/09/2012

Supplier CAP: All workers are provided a copy of their appointment letter as of July 26th, 2011. Appointment letter sent to FLA for review.



June 2012: We will re-issue the copies of appointment letters to all employees by July 10th, 2012. We will complete the signatures on the contracts by July 26th, 2012.

Supplier CAP 06/01/2012

Date:

Action Taken: June 2011: Facility does not provide workers a copy of their appointment letter, including those piece rate workers. There are no worker signatures acknowledging receipt of an appointment letter when a worker is hired.

February 2012: Although facility has started maintaining the employment records of daily workers and piece rate workers, employee interviews suggest that appointment letters are not provided to them. Similarly, the employment contract maintained in each piece rate worker's file is not a valid document because the employer or employee does not sign it. The issue is to be checked/discussed in July 2012.

Plan No

Complete:

Plan Complete

Date:

Forced Labor: Worker Ability to Terminate/Freedom of Movement

F.13 Employers shall not utilize practices that restrict a workers' ability to terminate his or her employment or freedom of movement. Examples of such practices include, but are not limited to: (the threat of) physical or mental coercion; requiring deposits; imposing financial penalties; requiring recruitment fees; setting production targets or piece rates at such a level that workers need to work beyond normal working hours (excluding overtime) as set under the FLA Code in order to make the legal minimum wage or the prevailing industry wage; and denying and hampering access to, and renewal of, identity papers and/or work permits or any other personal legal (identification) documents. (S)

Noncompliance

Explanation: The supervisors restrict the right to mobility in cases where a worker is given a target to complete.

**Plan Of
Action:**

Immediate step is to stop imposing quotas on employees. Next steps are to

- a) To have experienced HR staff (if not, external training party should be consulted) conduct a training on people management to all supervisors (how to motivate team members, i.e. workers) and on AEO's Code Of Conduct in regards to forced labor.
- b) Establish a system to ensure that all OT hours are voluntary (e.g., introduce an OT application form).
- c) Establish a system to conduct internal audits of voluntary OT and employees' freedom of movement on a regular basis.

Revised CAP, January 2012:

1. Revise target setting policy and related production studies.
2. Develop plans to control and avoid unpaid OT hours.
3. Meet workers' representatives on a monthly basis to discuss targets.
4. Create action plans and edit HR instructions to discipline unpaid work demands.
5. Allocate budget for production incentives and invest more in incentives pool.
6. Send monthly reports to brands with target data.
7. Revise action plans and check continuously.

**Deadline
Date:**

09/01/2012

**Supplier
CAP:**

Counseling sessions for managers and workers were completed September 15th, 17th, 22nd and 24th, 2011. During these sessions we explained the factory's benefits' structure, disciplinary practices, motivating employees, values, culture, rules, regulations, and future plans. Photos and sign-in sheet of training sent to FLA for review.

**Supplier CAP
Date:**

10/20/2011

**Action
Taken:**

June 2011: Facility needs to ensure that middle management is adequately trained on how to handle staff and motivate them for better performance.

February 2012: Factory has conducted counseling sessions for management and supervisors, and, so far, 1 session has been attended by all. These sessions need to be continued, especially for supervisors, as all of them are not completely familiar with the need to change their approach.

Plan No
Complete:

Plan
Complete
Date:

Forced Labor: Forced Overtime

F.14 The imposition of mandatory overtime beyond the limits set by the law, a freely negotiated collective bargaining agreement, and/or the FLA Code, in an environment where a worker is unable to leave the work premises, constitutes forced labor. (S)

Noncompliance

Explanation: The workers are given mandatory OT through the targets set. There is no system to ensure all OT hours are voluntary.

Plan Of Action: Immediate step is to stop imposing quotas on employees. Next steps are to

- a) Have experienced HR staff (if not, external training party should be consulted) conduct a training on people management to all supervisors (how to motivate team members, i.e. workers) and AEO's Code of Conduct in regards to forced labor.
- b) Establish a system to ensure all OT hours are voluntary (e.g., introduce an OT application form).
- c) Establish a system to conduct internal audits of voluntary OT and employees' freedom of movement on a regular basis.

Revised CAP, January 2012:

1. Revise target setting policy and related production studies.
2. Develop plans to control and avoid unpaid OT hours.
3. Meet workers' representatives on a monthly basis to discuss targets.
4. Create action plans and edit HR instructions to discipline unpaid work demands.
5. Allocate budget for production incentives and invest more in incentives pool.



6. Send monthly reports to brands with target data.

7. Revise action plans and check continuously.

Deadline Date: 09/01/2012

Supplier CAP: Counseling sessions for managers and workers were completed September 15th, 17th, 22nd and 24th, 2011. During these sessions we explained the factory's benefits' structure, disciplinary practices, motivating employees, values, culture, rules, regulations, and future plans. Photos and sign-in sheet of training sent to FLA for review.

Supplier CAP Date: 10/20/2011

Action Taken: June 2011: Facility has a system in place where they get overtime consent forms signed by workers who are asked to work OT. These forms are submitted to the HR department at 4:30pm on the day OT work is to be done. Facility needs to ensure that middle management is adequately trained on how to handle staff and motivate them for better performance.

February 2012: Facility management has conducted 1 training session for supervisors. These sessions need to continue on a consistent basis, as some supervisors reflect limited knowledge.

Plan Complete: No

Plan Complete Date:

Freedom of Association: Right to Freely Associate

FOA.2 Workers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment, including eventual termination of employment, and is applicable as well to unemployed and retired workers. (S)

Noncompliance

Explanation: Worker representation system is not effective. Workers are not aware of their representatives and they do use the system for any purpose. Suggestion boxes are not being used either.

Plan Of Action: Factory is required to:

1) Conduct training to all employees to explain:

a) The purpose/function of worker representatives.

b) The selection process/criteria for worker representatives.

c) The factory's grievance system (e.g., suggestion box and corresponding procedures) in detail.

2) Include the functions/selection of worker representatives and the grievance system in orientation for new employees.

3) Establish a system to conduct internal audits to see if the worker representative/grievance systems serve their purpose on a regular basis.

Revised CAP, January 2012: The results of these actions will be checked during the next assessment.

Deadline Date: 07/09/2012

Supplier CAP: Most of the complaints raised by workers are verbal and not documented. We will ensure that proper records are maintained going forward. We will hold elections in all sections by November 4th, 2011. To make the system more effective and efficient, nominated HR officers will hold the next few monthly meetings with the committees in order to ensure the effective implementation of the procedure.



June 2012: In order to make this effective and efficient, we have issued the monthly meeting schedule and will ensure that the HR representative must attend and record these meetings on a regular basis from June 20th, 2012 onwards. We will repeat the refresher courses quarterly, i.e., June 2012, October 2012, and January 2013.

Supplier CAP 06/01/2012

Date:

Action Taken: June 2011: Facility has agreed to document all complaints/issues raised by workers and to ensure proper record keeping accordingly. Facility needs to ensure that any worker organization existing on the premises is allowed to function effectively and has representation from the workers in real practice. Management shared details of a workers' council existing at the factory, but it does not have any effective representation from workers, as its members are handpicked.

February 2012: Facility has formed a committee as advised, but worker representation system is still not effective as workers are not aware of their representatives. However, suggestion system has improved with records being maintained. To be verified on site.

Plan Complete: No

Harassment or Abuse: Discipline/Verbal Abuse

H&A.11 Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline. (S)

Noncompliance

Explanation: The supervisors at Unit I and Unit II use verbal violence as a means to maintain labor discipline and fast production. Yelling and using insulting language are pretty common practices at the factory. The supervisors interviewed did not know about the factory's policies on H&A. Lack of knowledge on and awareness of policies and weakness in the implementation of the policies may be the major reasons behind these kinds of practices.

Plan Of Action:

1. Revise policy.
2. Observe behavior and communication on the work floor.



3. Meet workers' representatives on a monthly basis to discuss issues of abuse, if any.
4. Create or review anti-harassment procedures.
5. Implement disciplinary actions for abusing supervisory staff and invest more in trainings.
6. Send monthly reports with training/meeting feedback.
7. Improve continually.

Deadline Date: 07/09/2012

Supplier CAP: There was one supervisor who had this issue and they have been counseled. Counseling sessions for managers and workers were completed on September 15th, 17th, 22nd and 24th, 2011. During these sessions we explained the factory's benefits' structure, disciplinary practices, motivating employees, values, culture, rules, regulations and future plans. Photos and sign-in sheet of training sent to FLA for review.

June 2012: From June 2012, we have started maintaining the charge sheets in workers' files.

Supplier CAP Date: 06/01/2012

Action Taken: June 2011: Facility does not follow a consistent policy for disciplinary procedures. There is lack of awareness on the disciplinary procedure. Supervisors use their own means to discipline the employees.

February 2012: Counseling sessions have been provided. Facility needs to continue with these sessions on a consistent basis especially for supervisors, as some have still not received these trainings. Disciplinary procedures need to be followed and documented properly as well, e.g., charge sheets and their responses are maintained separately and copies are not always filed in employees' personnel files.

Plan Complete: No

Plan Complete Date:

Child Labor: Proof of Age Documentation

CL.3 Employers shall collect and maintain all documentation necessary to confirm and verify date of birth of all workers, such as birth certificates. In addition, the employers shall take reasonable measures to ensure such documentation is complete and accurate. (P)

Noncompliance

Explanation: The factory has been recruiting daily workers since June 2010. The daily workers do not provide the factory with any kind of documents, including age verification documents.

Plan Of Action: Immediate step is to acquire all daily workers' age documents and verify their accuracy. Next steps are to

- 1) Enhance the recruitment policy/procedures so that all applicants are required to provide all legally required documents (including age documents) for verification
- 2) Establish a system to conduct internal audits of factory's recruiting practices on a regular basis.

Deadline Date: 10/15/2010

Supplier CAP: There are approximately 170 people who fall in this category. Management initiated a practice for daily wagers from mid-August 2010 onwards.

Supplier CAP Date: 11/15/2010

Action Taken: Facility management has now started to maintain age verification documentation for daily wagers, along with records similar to those of their regular employees.

Plan Complete: Yes

Plan Complete Date: 12/15/2010



Code Awareness:

GEN.1 Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.

Noncompliance

Explanation: American Eagle Code of Conduct (COC) is not posted anywhere in the factory. Workers are a ware of the code practices.

Plan Of Action: The factory is required to:

- 1) Conduct training for all employees to explain AEO's COC in detail.
- 2) Include AEO's COC in the orientation for new employees
- 3) Post AEO's COC in prominent places such as notice board, resting area, main entrances to the work floor, etc. Results of CAP will be checked during next assessment.

Deadline Date: 09/01/2012

Supplier CAP: Previously, AEO's COC was only posted in the units where AEO production was being run. Now the posters have been put up in all units.

Supplier CAP Date: 11/15/2010

Action Taken: AEO's COC posters have been posted in all units.

Plan Complete: No

Plan Complete Date:

Health and Safety: Health and Safety Management System

H&S.5 The health and safety policy shall contain the framework for a comprehensive health and safety management system within which employers' responsibilities and workers' rights and duties, various responsibilities of designated personnel, procedures that enable workers to raise health and safety concerns and procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) are clear and regularly tested and reviewed. (P)

Noncompliance

Explanation: The management staff in charge mainly follows the H&S procedures. There is no comprehensive system within which responsibilities and duties are divided. The lack of a system leads to several H&S issues, including poor housekeeping; lack of safety and first aid equipment maintenance; disconnected fire alarms; and blocked fire hoses and exits.

Plan Of Action: Immediate step is to correct all identified H&S issues.

Next steps are to

- 1) Identify a potential training body on EHS management and have management staff in charge to complete the identified training.
- 2) Thoroughly list all potential H&S hazards within facility.
- 3) Build a ESH committee including the trained person, representative from management, and workers to share responsibilities of the identified concerns, and
- 4) Establish a system to conduct internal audits of factory's H&S practices on a regular basis.

Revised CAP, January 2012:

1. Revise policy and provide H&S resources, including a specialist.
2. Assess H&S risks in writing and conduct regular internal audits.
3. Consult internal and external stakeholders, including the workforce.
4. Make plans and issue procedures for improvement.
5. Budget and invest on safety equipment and trainings.
6. Send monthly reports with key indicators and achievements.
7. Re-audit and improve continually.



Deadline 07/01/2013
Date:

Supplier The factory's Compliance Manager is aware of this issue and realizes that H&S at their
CAP: factory is not a team effort. Compliance team is chasing the unit teams on a regular basis on this issue. This will be an opportunity for training, and the facility is willing to assign personnel and set up an EHS management system. All fire extinguishers cleared and fire extinguishers installed in sub-stores in units 11 and 9 as of June 6th, 2011 and July 28th, 2011, respectively.

Balconies cleared as of July 26th, 2011, moreover, no future work is allowed in these areas.

New fire alarms installed as of July 26, 2011. We are planning comprehensive fire training, fire drill on November 10th, 2011. Personal protective equipment (PPE) refresher course is completed as October 5th-6th, 2011. We have planned refresher course quarterly. More safety posters posted in halls as of September 7th, 2011.

All first aid boxes stocked as of June 6th, 2011. All machine attachments completed as of July 6th, 2011. We will make sure for all future construction projects that safety signs are properly used for construction. June 2012: We will install fire extinguishers and first aid boxes on balconies by June 25th, 2012. First aid box in finishing area will also be installed by June 25th, 2012.

All fire extinguishers cleared from obstructions as of February 22nd, 2012. All pallets removed as well. We are also holding sessions on H&S on a quarterly basis, June 2012, October 2012, and January 2013. We are holding sessions for new entrants on a monthly basis.

We are holding refresher courses for workers, supervisors and managers in June 2012, October 2012 and January 2013. It is reiterated to all managers and supervisors that they are responsible for PPE usage. Every 2 weeks, department heads will reconcile PPE with HR Team. Compliance Coordinators will also audit on a monthly basis to find out compliance and noncompliance issues June 26th, 2012 onwards.

All first aid boxes stocked as of February 22nd, 2012. We have told supervisors that it is their duty to maintain the boxes. All first aid boxes are also cleared as of February 22, 2012. Administration department is reminded through memo to cordon construction area in future as of February 28, 2012.

Supplier CAP 06/01/2012
Date:

**Action
Taken:**

Facility management is working on improving housekeeping in production halls. Facility needs to provide fire extinguishers and first aid boxes in all work areas. Sub-storage area in units 11 and 9 do not have fire extinguishers and first aid boxes. Balconies next to sewing halls used as finishing area with no fire extinguishers or first aid boxes. Fire extinguishers found blocked and inaccessible due to stacks of fabric bundles and cartons in sewing halls.

Facility is not equipped with fire alarms in every production unit. Facility does not train workers effectively in use of fire extinguishers; workers' HSE knowledge is limited and general. Facility needs to ensure effective training on PPE usage is given to workers. There is limited knowledge and awareness on PPE usage of PPE on part of workers. Facility does not ensure first aid boxes are stocked and easily accessible. Most first aid boxes found empty and blocked with fabric bundles.

Facility does not provide machine guards in all machines. Eye guards in stitching machines mostly unavailable; in the washing area, dryer spinners are missing their covers. Facility does not ensure construction area has a protective fencing or warning signs. Manhole was seen open and work in progress was open without any warning signs.

February 2012: Facility has provided fire extinguishers and first aid boxes in most places, but does not ensure that first aid boxes are all stocked and easily accessible. Balconies still used for work next to stitching units; no fire extinguisher or first aid boxes provided. Facility has provided new fire alarms on all units. Few fire extinguishers still found blocked. Facility has started training sessions for employees on usage of fire extinguishers and PPE.

However, some workers and managers do not know how to use fire extinguishers. Also, some are not using any PPE in dyeing or chemical warehouses. Lids provided for chemical containers. Facility provided machine guards and eye guards in stitching machines. Facility still does not ensure construction area has protective fencing or warning signs. Manhole seen open and construction work is in progress, without any warning signs.

AEO will discuss remediation of H&S practices by system approach; therefore, a broader project can be initiated and implemented through 2012-2013.

**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: The evacuation routes in the sewing department are totally blocked; there are piles of products and nylon bags lying on the floors.

Plan Of Action: Immediate step is to correct all identified H&S issues. Next steps are to

- 1) Identify a potential training body on EHS management and have management staff in charge to complete the identified training.
- 2) Thoroughly list all potential H&S hazards within facility.
- 3) Build a ESH committee including the trained person, representative from management and workers to share responsibilities of the identified concerns.
- 4) Establish a system to conduct internal audits of factory's H&S practices on a regular basis.

Revised CAP, January 2012:

1. Revise policy and provide H&S resources, including a specialist.
2. Assess emergency risks in writing and conduct regular internal audits.
3. Consult internal and external stakeholders, including the workforce.
4. Make sound evacuation plans and issue emergency procedures.
5. Budget and invest on proper reconstructions/layouts and trainings.
6. Send monthly reports with key achievements/drills.
7. Re-audit and improve continually.

Deadline Date: 07/01/2013



Supplier CAP: All emergency exits are cleared as of June 6th, 2011; secondary exit in new production units will be completed by October 29th, 2011. June 2012: All emergency exits are cleared as of February 22nd, 2012. Secondary exit in new production units will completed by August 20th, 212.

Supplier CAP Date: 06/01/2012

Action Taken: June 2011: Facility does not ensure that emergency exits are clear and open at all times. Few exits found locked and blocked in sewing halls. Facility does not ensure adequate aisle space in new units for easy evacuation of workers in case of emergency. Facility does not ensure at least 2 emergency exits open to the building's exterior. The second exits in new units open into another unit and most paths and aisles are blocked. Facility needs to ensure adequate second exits in new production units. Emergency exits open into other production units, instead of backside and balcony is being used as finishing area without any exits.

February 2012: Facility is still not ensuring clear emergency exits that are open and accessible at all times. Emergency exits found locked in units 10 and 11. Facility does not ensure the minimum of 2 emergency exits in new stitching halls, as some paths and aisles are blocked. Facility is still not ensuring second exits in new production units that open on the unit's backside. Exits still opening in other units. Balconies still being used for finishing area without ensuring proper exit paths exist. AEO will discuss remediation of H&S practices by system approach; therefore, a broader project can be initiated and implemented through 2012-2013.

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: PPE is not provided for workers in all departments. In cutting and sewing departments, many workers observed using fabric pieces to avoid dust. The level of fluff particulars in the cutting department is very high. In departments using chemicals, no workers observed wearing appropriate masks, goggles, or boots.

Plan Of Action: Immediate step is to correct all identified H&S issues.

Next steps:

- 1) Identify a potential training body on EHS management and have management staff in charge to complete the identified training,
- 2) Thoroughly list all potential H&S hazards within facility.
- 3) Build an ESH committee including the trained person, representative from management and workers to share responsibilities of the identified concerns.
- 4) Establish a system to conduct internal audit of factory's H&S practices on a regular basis.

Revised CAP, January 2012:

1. Revise policy and provide H&S resources, including a specialist.
2. Assess personal risks in writing and conduct regular internal audits.
3. Consult internal and external stakeholders, including the workforce.
4. Create PPE procedures.
5. Budget and invest on proper PPE and trainings.
6. Send monthly reports with key achievements/types of PPE stored/used.
7. Re-audit and improve continually.

Deadline Date: 07/01/2013



Supplier CAP: New facemasks provided in all cutting units as of June 9th, 2011. Safety signs posted in chemical store and PPE refresher course completed as of October 5th-6th, 2011 for workers in chemical store. We will repeat courses after every quarter.

June 2012: We are holding refresher courses for workers, supervisors and manager in June 2012, October 2012 and January 2013. It is reiterated to all managers and supervisors that they are responsible for PPE usage. Every 2 weeks, department heads will reconcile PPE with HR Team. Compliance Coordinators will also audit on a monthly basis to find out compliance and noncompliance June 26th, 2012 onwards. We have purchased surgical masks for workers and from June 15th, 2012 they will be wearing proper masks. Workers are wearing aprons, gloves, and rubber boots in dyeing department and chemical store.

Supplier CAP 06/01/2012
Date:

Action Taken: June 2011: Facility provided surgical masks to workers in production halls and has committed to educate workers in this area. Material Safety Data Sheets (MSDS) posted in dye halls where they were missing. However, facility does not provide PPE and ensure workers wear appropriate PPE in all production areas. Most workers were seen wearing cotton fabric masks in cutting and stitching area. Workers not using protective gloves, masks or rubber boots, seen especially chemical storage or dyeing/finishing area.

Feb 2012: Facility still does not provide PPE and ensure all workers wear appropriate PPE in production areas. Most workers were seen wearing cotton fabric masks in cutting and stitching area. Workers not using protective gloves, masks or rubber boots and aprons, especially in chemical storage or dyeing/finishing area. AEO will discuss remediation of H&S practices by system approach; therefore, a broader project can be initiated and implemented through 2012-2013.

Plan Complete: No

Plan Complete Date:

Health and Safety: Chemical Management and Training

H&S.13 All chemicals and hazardous substances shall be properly labeled and stored in accordance with applicable laws. Labels shall be placed in the local language and the language(s) spoken by workers, if different from the local language. Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances. (S)

Noncompliance

Explanation: Workers using chemicals are not aware of the hazards and risks they are subject to.

Plan Of Action: Immediate step is to correct all identified H&S issues.

Next steps:

- 1) Identify a potential training body on EHS management and have management staff in charge to complete the identified training.
- 2) Thoroughly list all potential H&S hazards within facility.
- 3) Build a ESH committee including the trained person, representative from management and workers to share responsibilities of the identified concerns.
- 4) Establish a system to conduct internal audit of factory's H&S practices on a regular basis.

Revised CAP, January 2012:

1. Revise policy and provide H&S resources, including a specialist.
2. Assess chemical risks in writing and conduct regular internal audits.
3. Consult internal and external stakeholders, including the workforce.
4. Create chemical management procedures.
5. Budget and invest on trainings.
6. Send monthly reports with types of substances stored/used.
7. Re-audit and improve continually.

Deadline Date: 07/09/2012



Supplier CAP: Chemical containers closed as of June 4th, 2011. Monthly internal audits planned from September 19th, 2011 in order to prevent this.

June 2012: In order to eliminate spillage we will put tiles in stores by July 20th, 2012. We are also holding refresher courses for chemical store staff on controlling and cleaning spills in June 2012, October 2012 and January 2013. Drums cleared as of February 22nd, 2012.

Supplier CAP 06/01/2012

Date:

Action Taken: June 2011: Chemical containers found open/without lids in chemical store.

February 2012: Lids provided for chemical containers. However, there was chemical spillage in sub-store. Also, improper stacking and drums lying on the floor. To be further checked in July 2012.

Plan Complete: No

Plan Complete Date:

Health and Safety: Material Safety Data Sheets/Worker Access and Awareness

H&S.14 Material Safety Data Sheets (MSDS) for all chemicals used in the factory must be available at the usage and storage sites of the chemicals, in the local language and the language(s) spoken by workers, if different from the local language. Workers shall have free access to MSDS. (P)

Noncompliance

Explanation: There are no MSDS documents in the departments where chemicals are being used.

- Plan Of Action:**
1. Revise policy and provide H&S resources, including a specialist.
 2. Assess chemical risks in writing and conduct regular internal audits.
 3. Consult internal and external stakeholders, including the workforce.
 4. Create chemical management procedures.



- 5. Budget and invest on trainings.
- 6. Send monthly reports with types of substances stored/used.
- 7. Re-audit and improve continually.

Deadline Date: 07/09/2012

Action Taken: MSDS provided, but not in local language of workers. To be checked for effectiveness and awareness in July 2012.

Plan Complete: No

Plan Complete Date:

Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

Noncompliance

Explanation: Electrical wiring, ventilation, and housekeeping in cutting, sewing, and quality departments are in poor condition. Electrical wires are matched insufficiently and joints subject to dust. Ventilation in particular at tumble dry, sewing, and quality departments is not sufficient for providing quality air.

Plan Of Action: Immediate step is to correct all identified H&S issues. Next steps are to

- 1) Identify a potential training body on EHS management and have management staff in charge to complete the identified training.
- 2) Thoroughly list all potential H&S hazards within facility.



3) Build a ESH committee including the trained person, representative from management and workers to share responsibilities of the identified concerns.

4) Establish a system to conduct internal audit of factory's H&S practices on a regular basis.

Revised CAP, January 2012:

1. Revise policy and provide H&S resources, including a specialist.
2. Assess electrical and comfort risks in writing and conduct regular internal audits.
3. Consult internal and external stakeholders, including the workforce.
4. Create related H&S procedures.
5. Budget and invest on trainings.
6. Send monthly reports with corrections/inspections done.
7. Re-audit and improve continually.

Deadline 07/01/2013

Date:

Supplier CAP: All panels cleared as of June 6th, 2011. New industrial exhaust fans installed in washing and dyeing departments as of June 17th, 2011. All lights replaced and bundles cleared as of June 10, 2011. All toilets restocked with soaps and towels as of June 6th, 2011.

June 2012: All electric panels cleared as of February 22nd, 2012. Through a memo, it is also reminded to all workers and managers to keep panels clear. We will install new lights and replace all fused bulbs by June 20th, 2012. We will improve ventilation by installing new exhaust in sub-store by June 29th, 2012. All blocked ducts cleared as of February 27th, 2012. All toilets restocked with soaps and towels as of February 22nd, 2012.

Supplier CAP 06/01/2012

Date:

Action Taken: June 2011: Facility does not ensure electric panels are clear and accessible at all times. Some panels exposed with open wiring, and totally blocked by bundles or workers working in front of electric panels, especially balcony area, which is being used as finishing area. Facility does not ensure proper ventilation in various production areas. In dyeing and washing, temperature is very high, and area needs to be better ventilated. Workers sitting on balconies in sewing halls exposed to extreme temperatures. Facility does not ensure proper ventilation in chemical store. Chemical fumes in air cause skin and eye irritation. Facility does not ensure proper lighting in cutting sections.

Number of lights switched off. Natural light blocked by bundles or cartons stacked near windows. Facility needs to ensure toilets have adequate lighting. Bulbs missing and low lighting in toilets. Facility also needs to ensure soap/washing liquid is provided in toilets. Soap is missing in most toilets.

February 2012: Facility has made improvements to ensure there is no exposed wiring in the electric control panels. However, some electric panels still blocked and inaccessible. Also, workers still work in front of electric panels in balcony area that continues to be used as finishing area. Facility still does not ensure proper ventilation in various production areas. Multiple ventilation ducts blocked with bundles. High temperatures are not felt, mainly due to less work and because of winter season. Dye chemical sub-store still needs proper ventilation. Facility ensures proper lighting in cutting sections only where work is being done. Otherwise, lights switched off. Natural light continues to be blocked in various places. There is not enough light in toilets. Light bulbs are fused and numbers of them are missing. Soap still missing in toilets.

AEO will discuss remediation of H&S practices by system approach; therefore, a broader project can be initiated and implemented through 2012-2013.

Plan Complete: No

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: Overtime hours in facility exceed daily and monthly limits. Most workers in cutting, stitching, and quality departments work up until 10pm on weekdays (shift ends at 5pm). Some workers' monthly OT hours in April and May reached up to 110 hours, and up to 80 hours in June. There are full-night shifts with continued regular and OT work the following day, which adds up to 48 hours of continuous work.

**Plan Of
Action:**

Factory is required to

- 1) Conduct a thorough study to identify root causes of excessive work hours from sample making to packing to shipment.
- 2) Once root causes identified, look for opportunity to improve (e.g., partner with external expert in capacity building).
- 3) Provide track records for improvements

Revised CAP, January 2012:

1. Revise policy and provide HR resources.
2. Measure/monitor HR management indicators (turnover, absenteeism, sickness, overtime hours and cost, male/female ratio, skilled vs. unskilled, wage levels, etc.).
3. Meet workers' representatives on a monthly basis to discuss indicators.
4. Create action plans and HR instructions.
5. Allocate budget for production/HR incentives and invest more in trainings.
6. Send monthly reports to brands with indicators.
7. Revise action plans and improve continuously.

**Deadline
Date:**

07/09/2012

**Supplier
CAP:**

From October 5, 2011, onwards we have advised all departments to gradually eliminate all such incidents over a period of 3 months. We have started monitoring daily OT for every person, while HR officer will make a daily OT report and forward it to MD/CEO. We have also changed production output targets on the basis of 24 days of work from October 2011.

June 2012: We have told our planning department that not only should our production be planned on 8 hours per day shifts and 24 days working per month, but it was also sent to production team in writing that no matter how they plan shipments, work hours have to be maintained within the 60 hours of work per week limit. From June 1, 2012, onwards we have advised all departments to gradually eliminate all such incidents over a period of 3 months of monitoring. We have started monitoring daily OT for every person and HR officer will make a daily OT report and forward it to MD/CEO.

**Supplier CAP
Date:**

06/01/2012



Action Taken: June 2011: Facility needs to ensure that weekly hours are no more than 60, inclusive of 12 hours of OT. There is excessive OT on a regular basis and workers are working an average of 70 hours/week in most finishing/packing sections. Maximum number of daily and monthly overtime hours are up to 9 and 116, respectively.

February 2012: OT hours have been gradually in decline since November 2011. Maximum OT hours worked by any employee were 123 hours in November 2011, 85 hours in December 2011, 48 hours in January 2012, and less than 20 hours until February 21st, 2012. However, daily limits are still violated. On February 19th, 2012, some workers worked 5 hours of OT. Actions taken to be verified in July 2012.

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: Workers work on Sundays with no rest day over a period of 7 days. The total consecutive workdays from July to August rose to 19 consecutive days.

Plan Of Action: The factory is required to:

- 1) Conduct a thorough study to identify root causes for excessive work hours from sample making to packing to shipment.
- 2) Once root causes identified, look for opportunities to improve (e.g., partner with external expert in capacity building).
- 3) Provide track records for improvements.

Revised CAP, January 2011: Results of these actions will be checked during next assessment.



Deadline Date: 07/09/2012

Supplier CAP: We give 1 day off a week, but it is fluid and within a 9-10 day stretch. In the last 3 months, there has been violation of the policy in a few sections, but we have started monitoring the daily OT of every worker. We have revised monthly production output targets from October 2011 onwards. There will be improvement in this area from November 1st, 2011, gradually and we will have 100% compliance from December onwards. In the meantime, we are compensating all workers by paying them double OT for all Sundays worked.

June 2012: Although the percentage of rest days per week for workers increased tremendously since corrective action steps have been taken, we are further improving the occasional cases through daily monitoring and follow up. We have told our planning department that production should be planned for 6 days a week and 24 days of work per month. There will be improvement in this area from June 1st, 2012, gradually and we will have 100% compliance from September 1st, 2012.

Supplier CAP Date: 06/01/2012

Action Taken: June 2011: Facility needs to ensure that workers get 1 day off in 7 on a regular basis. 3 Sundays have been worked during May 2011.

February 2012: Facility has made improvements in providing 1 day off in 7 to workers. However, in the last 2 months, 1 Sunday (February 19th) has been worked where workers' rest day was not ensured. Similarly, in engineering workshop, workers' rest day was not ensured. Workers have worked consecutively for 14 days. To be further verified in July 2012.

Plan Complete: No

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 is no proper time recording system for workers. All time records are kept manually.

Plan Of Action: Factory should

- 1) Provide a time card recording system to record employees' work hours.
- 2) Introduce the new work hours recording practices to all employees to make them familiar with punching their time cards whenever they start/finish work.

Revised CAP, January 2012:

1. Ensure that full transparency is the set policy and communicate internally.
2. Develop plans to control and avoid unrecorded work hours.
3. Meet workers' representatives on a monthly basis to discuss working hours.
4. Create action plans and edit HR instructions to discipline unrecorded work.
5. Allocate budget for production incentives and invest more in incentives pool.
6. Send tri-monthly reports to brands with OT data.
7. Revise action plans and check continuously.

Deadline Date: 07/09/2012

Supplier CAP: All supervisors are reminded through memo to record all OT hours on a single card, as we pay all overtime on a single day. June 2012: We have reiterated to all units again by written memo to maintain OT in 1 place. Since March 1st, 2012, unit #8 supervisor is also maintaining OT record in 1 place.



Supplier CAP 06/01/2012

Date:

Action Taken: June 2011: Facility needs to ensure that all OT hours worked are documented in 1 place. Middle management in production units has started a practice where they do not record all OT hours worked in 1 place. Any hours exceeding 48/month are documented separately.

February 2012: OT hours are now documented in 1 place. However, OT hours recording procedure needs to be the same and followed consistently. In unit #8, supervisor is not maintaining OT hours as per established procedure. To be further checked in July 2012.

Plan No

Complete:

Plan Complete

Date:

Hours of Work: Sick Leave/Restrictions

HOW.20 Employers shall not impose any undue restrictions on sick leave. Any factory restrictions or procedures regarding sick leave, such as informing the employer as soon as possible, the provision of medical certificates, the use of designated doctors or hospitals, etc., must be in line with local laws, regulations and procedures and must be communicated in full to all workers. (S)

Noncompliance

Explanation: In peak production periods, workers may not be able to get any sick leave. Several workers confirmed that not being given sick leave is a common practice, in particular in the cutting and sewing units.

Plan Of Action: Factory must put together a plan to bring policies regarding sick leave into compliance with local law. Factory will be monitored for continuous improvement until full compliance is achieved.

Revised CAP, January 2012:

1. Revise leave policy and provide HR resources.

2. Measure/monitor HR management indicators (turnover, absenteeism, sickness, piece rate vs. hourly workers/cost, etc.).
3. Meet workers' representatives on a monthly basis to discuss leave indicators.
4. Create action plans and HR instructions.
5. Allocate budget for production/HR incentives and invest more in trainings.
6. Send monthly reports to brands with indicators.
7. Revise action plans and improve continuously.

Deadline Date: 07/09/2012

Supplier CAP: All workers are provided with the sick leave as of June 6th, 2011. Sick leave report sent to FLA for review.

Supplier CAP Date: 10/20/2011

Action Taken: June 2011: Facility needs to implement a proper mechanism for ensuring that workers are able to use their sick leaves during the year. Workers are not provided sick leave during peak production period.

February 2012: Although sick leave is not provided to piece rate workers, salaried workers do get sick leave and leave records are maintained for them. However, records management needs improvement, as it is currently haphazard and incomplete. Factory maintains the view that piece rate workers are not eligible for paid sick leave under the law. This is to be further searched and discussed by AEO at local level in July 2012.

Plan Complete: No

Plan Complete Date:
