

FLA Audit Profile	
Country	India
Independent External Monitoring Organization	Fair Wear Foundation
Date(s) in Facility	November 1-2, 2007
FLA Affiliated Compan(ies)	GFSI, Inc.
Number of Workers	311
Product(s)	Garments
Production Processes	Cutting to Packing

Please note that this chart refers to the IEM in 2007 and only includes remediation until the 2009 IEV. For remediation from 2009 on, please see chart 030032629FV India.

FLA Code/Benchmark	Compliance Status	Description of Noncompliance, Risk of Noncompliance or Uncorroborated Evidence of Noncompliance	Company Internal Audit Findings (Optional) CSCC Audit (November 3, 2006)	Remediation					Status
				Company Remediation Plan (January 9, 2008)	Target Completion Date	Factory Response (Optional)	Company Follow Up (Cite Date of Follow Up)	Documentation	Completed, Pending, Ongoing
GEN 1: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	Risk of noncompliance	Could not check with contractors, suppliers, etc., but the understanding is that workplace standards have not been shared with them.		You must notify us of contractors you are planning to use to produce our products and obtain written approval prior to placing production. Also, inform the contractors of our workplace requirements. Have them agree to follow those requirements. Send list of contractors used to produce our product and send a form that contractors have signed agreeing to our workplace standards.	2/29/2008				
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.	Risk of noncompliance	Could not check with contractors, suppliers, etc., but the understanding is that workplace standards have not been shared with them.		You must notify us of contractors you are planning to use to produce our products and obtain written approval prior to placing production. Also, inform the contractors of our workplace requirements. Have them agree to follow those requirements. Send list of contractors used to produce our product and send a form that contractors have signed agreeing to our workplace standards.	2/29/2008				
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	Local contact details are not available along with the displayed codes.		We are currently working on implementing a program for confidential clear reporting channels. We will send contact details once we have the program in place.					
F.9 Employment Records	Risk of noncompliance	Records for temporary workers are not available. However, both management and worker interviews clearly showed no forced labor.	Approximately 12% of the employee files are missing age-proof documents.	Immediately start maintaining records for <u>all</u> temporary workers. Send copies of records for temporary workers showing their temporary status.	Immediate 2/1/2008				
CL.3 Proof of Age Documentation	Risk of noncompliance	No such documentation for temporary workers.		Immediately start maintaining records for <u>all</u> temporary workers. Send copies of records for temporary workers showing their temporary status.	Immediate 2/1/2008				
CL.4 Other Means of Age Verification	Risk of noncompliance	No such documentation for temporary workers.		Immediately start maintaining records for <u>all</u> temporary workers. Send copies of records for temporary workers showing their temporary status.	Immediate 2/1/2008				
CL.5 Government Permits and Parental Consent Documentation	Noncompliance	No legal permits obtained for young workers (ages 14-18).		Immediately obtain legal permits for <u>all</u> young workers (ages 14-18). Send copies of legal permits for young workers.	Immediate 2/1/2008				
CL.6 Employment of Young Workers	Noncompliance	No legal permits obtained for young workers (ages 14-18).		Immediately obtain legal permits for <u>all</u> young workers (ages 14-18). Send copies of legal permits for young workers.	Immediate 2/1/2008				
D.2 Employment Decisions	Risk of noncompliance	Regarding temporary workers, management maintains that those who work regularly for a year without being absent for a few weeks now and then are turned permanent, while workers claim that in spite of continued service in the factory for more than a year, they are still termed temporary, and thus given lower wages, and no benefits.		Immediately consider temporary workers who have worked regularly for a year as permanent workers with increased wages and benefits. Send documentation showing that workers considered temporary have been moved up to permanent status.	Immediate 2/1/2008				
D.3 Recruitment and Employment Practices (Job Advertisements, Job Descriptions and Evaluation Policies)	Risk of noncompliance	Temporary vs. permanent nature of work not clear to workers.		Clarify the difference between temporary and permanent work to <u>all</u> workers. Write up an explanation that can be shared with workers at orientation and during trainings throughout the year for reminder. Have employees sign stating that they understand the differences between temporary vs. permanent. Send copy of explanation of difference between temporary and permanent workers. Send list of employees that have received this and a list	2/1/2008				

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D.14 Discriminatory Violence/Harassment/Abuse	Noncompliance	Temporary workers are discriminated against with wages below minimum wage and no benefits.		Immediately begin to pay workers at a rate at least equal to the minimum wage. Send payroll where temporary workers are being paid at least the minimum wage.	Immediate				
H&S.7 Notification and Record Maintenance	Noncompliance	Records (e.g. accident register, sickness register) show no entries, suggesting lack of active use.		Make sure accidents register and sickness register are actively used. Send copies of these registers with entries as needed.	2/29/2008				
H&S.8 Permits and Certificates	Noncompliance	Fire permit from the local fire service authority is not available.							
H&S.9 Evacuation Requirements and Procedure	Noncompliance	1) Access to fire extinguisher in finished goods storeroom is poor. The extinguisher is not at all visible to employees in that room. 2) Some passageways blocked with cartons. 3) In the finished goods section, fire extinguisher is not visible.	100% of doors open inwards. All exit doors should open outward. Secondary exit not provided in the dormitory.	Improve access to the fire extinguisher in the goods storeroom. Make sure it is visible to the employees in that room. Send a photo of the fire extinguisher from where employees are located, showing that it is visible to all employees.	2/1/2008				
H&S.10 Safety Equipment and First Aid Training	Noncompliance	Although a list of medication is posted near the first aid station, the said medicines are not available in the box.		Ensure that the first aid station is stocked. Send copy of list of medication that is posted near the first aid station and photos of fully stocked first aid station.	2/1/2008				
H&S.11 Personal Protective Equipment (PPE)	Risk of noncompliance	1) Some workers wear masks, while many do not. Rubber mats for ironers are available, but not in good shape for safety. 2) Boiler and power room workers are not provided with noise PPE.		Institute and enforce a requirement for all workers to wear masks. Post signage where workers can see the requirement to wear masks. Purchase new rubber mats for ironers (and any other position that requires continuous standing) that are in good shape for safety. Send photos of all workers wearing masks. Send invoices for and photos of new rubber mats for ironers that are in good shape.	2/29/2008				
H&S.13 Chemical Management and Training	Noncompliance	Chemicals stored along with other goods, and disposed in open ground behind the hostel on the campus.							
H&S.14 Material Safety Data Sheets (MSDS)/Worker Access and Awareness	Noncompliance	Available in English - not local language.		Translate MSDS for each chemical into the local language. Send copies of each MSDS in English and translate to the local language.	2/29/2008				
H&S.17 Ventilation/Electrical/Facility Installation and Maintenance	Noncompliance	Ventilation in production facility poor; electrical wires run on floor.		Improve ventilation in the production facility. Please advise what steps you will take to do so. For example, will you install a new ventilation system? Will you install filters? Remove electrical wires from the floor, or cover them with proper equipment so employees are not tripping on them. Ensure electrical wires are properly cased. Send plans for how you will remove electrical wires from the floor. For example, will you have an electrician redirect wires?	Send plans for improvement by - 2/1/2008 Complete all improvements by - 3/27/2008				
H&S.20 Bodily Strain	Noncompliance	Workers do not have stools with backrests. No stools for standing workers like checkers and ironers.		Provide standing workers stools with backrests. Send photos of new work areas with stools provided.	2/29/2008				
H&S.25 Food Preparation	Noncompliance	Both the cooking hall and storage are in unhygienic condition.		Improve sanitary conditions in the cooking hall and storage area. Designate a "housekeeper" to keep this area in hygienic condition. Post a log for this person to fill out each time they clean. Monitor that this area is being cleaned at least daily. Send name of employee designated to clean this area, send copy of log posted in the cooking hall, and send photos showing log posted and clean cooking hall.	2/1/2008				
Clean toilets	Noncompliance	There is only one toilet cleaner for all the toilets together. Frequency of cleaning is minimal.							

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FOA.18 Right to Collective Bargaining	Risk of noncompliance	A workers' association exists but it is not a forum for CBA as there are no management representatives in it to enable mutual discussion.		Ensure that management representatives are taking part in the workers association so as workers voice concerns, management can respond and correct issues. Send attendance of workers association meeting showing management attendees. Please advise the date of the next scheduled workers' association meeting.	Next workers' association meeting.				
FOA.19 Right to Collective Bargaining/Good Faith	Risk of noncompliance	A workers' association exists, but it is not a forum for a collective bargaining agreement (CBA), as there are no management representatives in it to enable mutual discussion.		Ensure that management representatives are taking part in the workers' association so workers can voice concerns and management can respond and correct issues. Send attendance of workers' association meeting showing management attendees. Please advise the date of the next scheduled workers' association meeting.	Next workers' association meeting.				
FOA.22 Right to Collective Bargaining/Compliance with Collective Bargaining Agreement	Noncompliance	The TEA ((District name) Export Association) CBA rate is not honored in the factory. There is no forum for workers to raise this issue, nor are workers aware of the TEA rates. In fact, even the management feels that it is enough to abide by the legal minimum wage. Still, temporary workers fall below this minimum wage also.		Immediately begin honoring TEA/CBA rate for wages. Ensure that workers are made aware of TEA rates. Give employees a memo explaining TEA rates. Have workers sign a copy of TEA memo showing that they understand. Pay temporary workers at least at minimum wage. Send payroll where workers are paid TEA/CBA rates. Send us a copy of the memo signed by workers stating that they understand the TEA rates.	2/1/2008				
FOA.26 Grievance Procedure	Risk of noncompliance	There is a grievance system. However, the fact that not a single grievance has been recorded over the years suggests that the system is not actively used.		Make sure employees are aware of and are encouraged to use the internal grievance system in the factory. Send memo where factory management has notified workers of internal grievance system.	2/1/2008				
HOW.1 General Compliance Hours of Work	Noncompliance	While management mentioned work hours to be not excessive, evidence has shown otherwise.	Time in and time out records not maintained for 5% of employees. Thus, unable to assess actual working hours for these employees. Time in and time out records should be maintained for all employees.	Stop working excessive hours. Take steps to ensure that workers are not working excessive hours. Send payroll records showing that excessive working hours have stopped.	Immediate				
HOW.4 Protected Workers (Women and Young Workers)	Noncompliance	Young workers cannot work beyond 8 hours of work without legal permission.		Ensure that young workers (ages 14-18 years) are not working beyond 8 hours of work without legal permission. Send timesheets showing that young workers are not working more than 8 hours. If they do work more than 8 hours, send documentation of legal permission.	Immediate				
HOW.5 Protected Workers (Women and Young Workers)/Record Keeping	Noncompliance	No such records for temporary workers.		Keep time records for all employees, including temporary workers. Send copies of time cards for temporary workers.	2/1/2008				
HOW.6 Time Recording System	Noncompliance	Legally permitted 48 hours OT per quarter alone is documented and made available for audit. All work time should be properly recorded as per the compliance norms.		Keep records of all time, including overtime, in excess of the legally permitted 48 hours of OT per quarter. Noted from audit that "management felt that OT is unavoidable particularly in the difficult circumstances of business caused by the recent drop in dollar rates. Business pressures and seasonal rushes make OT compulsory." What do you feel would be a good solution to work around these problems and reduce the amount of OT for workers? Send copies of time recording system showing accurate hours recorded.	2/1/2008				
HOW.9 Overtime/Positive Incentives	Uncorroborated noncompliance	Due to lack of all pertinent records, it is not clear whether all OT is paid at premium rate.		Institute and maintain a system to ensure there are correct records for ensuring employees are paid OT at a premium rate. Advise what system you plan to implement and send a copy showing that employees are paid OT at a premium rate.	2/29/2008				
HOW.11 Extraordinary Business Circumstance/Forced Overtime	Noncompliance	No system to document that OT is voluntary.		Institute and maintain a system where employees sign up and volunteer for OT. Send a copy of volunteer OT sign-up sheet.	2/1/2008				

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WBOT.1 General Compliance Wages, Benefits and Overtime Compensation	Noncompliance	Temporary workers are discriminated against with wages below minimum wage and no benefits. Double payment for all OT is not documented.		Immediately stop discriminating against temporary workers. Ensure they are paid at least minimum wage and that double OT payment is documented. Send documentation for temporary workers showing that they are paid at least minimum wage and that they are receiving double payment for OT.	Immediate				
WBOT.2 Minimum Wage	Noncompliance	Temporary workers are discriminated against with wages below minimum wage.		Immediately stop discriminating against temporary workers. Ensure they are paid at least minimum wage. Send documentation for temporary workers showing that they are paid at least minimum wage.	Immediate				
WBOT.3 Training and Probation Wage	Noncompliance	Temporary young workers are discriminated against with wages below minimum wage and no benefits.		Immediately stop discriminating against young temporary workers (ages 14-18). Ensure that they are paid at least minimum wage and are receiving benefits as prescribed by law. Send documentation for temporary workers showing that they are paid at least minimum wage and are receiving their legal benefits.	Immediate				
WBOT.5 Holidays, Leave, Legal Benefits and Bonuses	Noncompliance	ESI (Employee State Insurance), PF (Provident Fund) benefits are not given to temporary workers.		Ensure that temporary workers are paid at least minimum wage and are receiving their PF and ESI benefits. Send documentation showing that these benefits are provided to all employees, including temporary workers.	2/29/2008				
WBOT.7 Payment for All Hours Worked	Noncompliance	No record of work time and payment for temporary workers.		Maintain all records for temporary workers. Send copies of records for temporary workers showing that their working hours are recorded and payment for the time they work has been paid.	2/1/2008				
WBOT.8 Calculation Basis for Overtime Payments	Noncompliance	Records incomplete.		Maintain complete records for all time worked, including overtime. Send copies of time-recording system showing accurate hours recorded.	2/1/2008				
WBOT.10 Premium/Overtime Compensation	Noncompliance	No records.		Maintain complete records for all time worked, including overtime. Send copies of time recording system showing accurate hours recorded.	2/12/2008				
WBOT.13 Deposit of Legally Mandated Deductions	Noncompliance	Not for temporary workers.		Deposit legally mandated deductions for all workers, including temporary workers. Send documentation of paying legally mandated deductions for all employees, including temporary workers.	2/1/2008				
WBOT.17 Accurate Calculation and Recording of Wage Compensation	Noncompliance	No records for temporary workers, and no accurate records of OT for permanent workers also.		Maintain complete records for all time worked, including overtime for all workers. Send copies of time recording system showing accurate hours recorded.	2/1/2008				
WBOT.19 False Payroll Records	Noncompliance	All payroll records were not available for audit.		Maintain complete payroll records for all workers. Send copies of accurate payroll.	2/1/2008				
WBOT.20 Payroll Record Maintenance/Worker Acknowledgement	Noncompliance	No records of payment to temporary workers.		Maintain complete payroll records for all workers. Send copies of accurate payroll, including temporary workers.	2/1/2008				
WBOT.21 Record Maintenance	Noncompliance	Incomplete - not available for audit.		Maintain records for wages and benefits for each employee, including temporary workers. Send a list of what will be maintained for each employee and copies of each item maintained.	2/29/2008				
WBOT.27 Wage Receipt	Noncompliance	Not for temporary workers.		Maintain wage receipts for temporary workers. Send copies of wage receipts for temporary workers.	2/1/2008				