

The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.

What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

Note on Language

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]", etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

Instructions for Printing

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA Audit Profile	
Country	SRI LANKA
Factory name	07037078C
IEM	T GROUP SOLUTIONS PVT LTD
Date(s) in facility	OCTOBER 12,13 & 14 , 2004
PC(s)	LIZ CLAIBORNE Inc., EDDIE BAUER, NIKE Inc.
Number of	1061
Product's	WOVEN LADIES TOPS, KIDS SHIRTS
Production processes	CUT TO PACK

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Findings				Remediation				Company Followup (Update)			
			Monitor's Findings	Documentation (If finding was corroborated/verified through multiple sources, list all sources)	Was Finding Corroborated? Yes or No	If not corroborated, explain why	Best Practice	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate) 12/22/04 (announced) & 7/5/05 (unannounced)	Documentation
1. Code Awareness														
Code posting/information		FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	Brands Codes of Conduct posters posted in the production floor are partly blocked with hanger packed garments and are in an area which workers do not generally access.	Visual Inspection	No	Finding was incriminating		The factory should ensure that Brands Codes of Conduct be posted at the prominent locations of the production floor.	The factory agreed to re-organize the production floor to ensure that the Codes posted be accessible to all workers, and it should be completed by 12/01/2004	The factory agreed to display Brands Codes of Conduct at prominent places of the production area.	PC visit 11/17/2004		The PC visited the factory on the 12/22/04 and confirmed and verified that Brands' Codes of Conduct had been posted at the prominent areas of the production floor. The Codes are clearly visible for all employees.	Photos.
Worker/management awareness of Code		FLA Principle of Monitoring, Obligation of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	Most workers and many Managers were not aware of the Code Elements. PCs have not provided any training to management & employees on Code elements.		No	Finding was incriminating		The factory should take the initiative to educate the employees, including managers, on the Brand's Codes of Conduct. It should be done on a regular basis.	The factory confirmed that the training programs were provided to all employees, including managers, to enhance the awareness of the Brand's Codes of Conduct.	The factory agreed to educate the workers including managers through training programmes with refreshments at least twice a year.	PC visit 11/17/2004		The PC visited the factory on 12/22/04 and confirmed that training programs that addressed Brand's Codes of Conduct, had commenced.	Outline of the course/training and the attendance sheets.
Confidential non-compliance reporting channel		FLA Principle of Monitoring, Obligation of Companies: Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	The LIZ CLAIBORNE Code of Conduct poster has contact information of its local office, EDDIE BAUER poster has contact information of its U.S. office. Nike's Code of Conduct poster has no contact information on it. There is no their mechanism in place for workers to communicate with the PCs.	Visual observation and interview with workers.	No	Finding was incriminating		The objective of Liz Claiborne, Eddie Bauer, and Nike is to strengthen the internal grievance systems of their contract manufacturers. In alignment with this objective, direct communication with the PCs should be considered a last resort for factory employees. The PCs request that the factory establish a formal system of dialog between the management and workers in order to allow workers to voice workplace grievances, develop internal procedures for resolving workplace disputes, and resolve grievances in good faith. In an effort to encourage internal grievance systems to be effective, Nike opts not to print contact information on its Code of Conduct. Monitors from the PCs conduct one-on-one confidential interviews with factory employees during labor compliance audits of their contract facilities. During Nike's audit at contractor sites, Nike's internal auditors provide contact information to workers who desire to contact Nike directly.	Eddie Bauer will provide the factory with an updated Code of Conduct poster that includes local contact information for workers, and this will be completed before March, 2005. In addition, the factory plans to further strengthen its internal grievance systems, and it is estimated to be completed by July 2005.	N/A	PC visit 11/17/2004		The PC visited the factory on 4/19/2005, and confirmed that the Code of Conduct posters of Eddie Bauer and Liz Claiborne had the local contact information. The PCs made another visit on 7/5/05 and confirmed that the factory had set up procedures to allow workers to voice workplace grievances.	Poster and a copy of factory's grievance policy and procedures
2. Forced Labor														
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise														
Employment Records		Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision	Except for time and attendance records for security guards only, no other employment or related records are being maintained in the factory for Security Guards, Canteen and House keeping workers outsourced through external agencies. Vendor stated that this was not pointed out by any brand in the past.	Interview with Management & workers	No	This finding is incriminating		Regarding the outsourced services (Canteen & Housekeeping workers, and Security Guards), the factory should have an agreement with each of the outsourced parties. The agreement stipulates the outsourced parties to treat their workers pursuant to the local regulations, (for example, working hours, minimum wages and OT compensations, and legally mandated benefits). The outsourced parties are required to keep track of the working hours and to maintain the time cards and payroll records. On the other hand, the factory is required to monitor the outsourced parties to verify if they treat the workers properly.	The factory fully understands the approach and is under discussion with the outsourced parties. The corrective actions will be taken by May 31, 2005.	The factory agreed to sign an agreement with each of the outsourced parties which employ security guards, canteen and house keeping workers. This will ensure that those employees working for them be entitled to all legally mandated benefits.	PC visit 11/17/2004		The PC visited the factory on 12/22/04 and 7/5/05, and noted that the factory is still under discussion with the outsourced parties including security guards, canteen and house-keeping workers. The PCs are keeping on asking the factory to finalize the outsourcing contracts. When the PCs are informed that the contracts have been concluded, they will conduct another follow up audit, and select workers of the outsourced parties, and conduct interviews to ensure that they are paid properly, and their working hours are not excessive.	A copy of agreement will be attached.

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Findings					Remediation				Company Followup (Update)		
			Monitor's Findings	Documentation (If finding was corroborated/verified through multiple sources, list all sources)	Was Finding Corroborated? Yes or No	If not corroborated, explain why	Best Practice	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate) 12/22/04 (announced) & 7/5/05 (unannounced)	Documentation
Recruitment Contracts		There can be no employment terms (including contracts, recruitment arrangements, or any other instruments) which specify that employees can be confined or be subjected to restrictions on freedom of movement; allow employers to hold wages already earned; provide for penalties resulting in paying back wages already earned; or, in any way punish workers for terminating employment. (It is acceptable to provide bonuses to workers who stay for a term of contract and meet reasonable conditions, such as regular attendance, punctuality, good quality, etc	One worker who had joined on the day of the audit and another worker who was working for the past 7 days were not issued an appointment letter prior to joining work.	Interview with workers	No	Finding was incriminating		The factory should issue an appointment letter to all employees prior to starting work.	The factory confirmed that the corrective action had been taken before 11/30/04.	The factory agreed to make sure that the appointment letter be issued to all employees before they start working. The Human Resources Manager is in charge of co-ordinating this particular task.	PC visit 11/17/2004		The PC visited the factory on 12/22/04 and confirmed that appointment letters had been issued to all employees including those newly joined.	Copy of appointment letter.
3. Child Labor														
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.														
4. Harassment or Abuse														
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.														
5. Nondiscrimination														
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.														
6. Health and Safety														
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities														
Evacuation Procedure	Factories ordinance of Sri Lanka, ordinance no. 45 of 1942, No. 22 of 1946, Acts nos. 54 of 1961, 17 of 1965 & 29 of 1971. Law no. 12 of 1976, Acts 17 Of 1982, 32 of 1984, 18 of 1998 & 33 of 2000.	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	1. Evacuation Arrows in some places are not clearly visible while there are no evacuation signs posted in the auditorium, packed goods store and some areas in finishing and packing section. 2 'Keep Clear' yellow boxes are not marked in front of exits. 3. Evacuation plans are not posted in the auditorium. Elsewhere in the factory evacuation plans posted are small and insignificant and in many instances do not match the floor layout. All signage should be in the local language. 4. Both exits in the auditorium open inwards. 5. Emergency Exits in the fabric store are not marked. Both exits in the auditorium are not marked.	Visual inspection	No	Finding was incriminating		(1) The factory should clearly mark the evacuation arrows in all places, and post the evacuation signs visibly in the auditorium, the packed goods store, and areas of the finishing and packing sections. (2) The factory should clearly mark "Keep Clear" yellow boxes in front of exits. (3) The factory should post evacuation plans in the auditorium and ensure that all evacuation plans throughout the production floor are of sufficient size and match with the plant layout. Factory should make sure all signage be in the local language. (4) The factory should ensure that the exits in the auditorium open outwards. (5) The factory should clearly mark emergency exits in the fabric store as well as the auditorium.	The factory confirmed that all corrective actions had been completed by 11/20/04.	(1) The factory confirmed that the evacuation arrows are marked in all places, and the evacuation signs are posted in the auditorium, packed goods store and finishing and packing sections. (2) The factory confirmed that "Keep Clear" yellow boxes are painted in the exit area. (3) The factory confirmed that evacuation plans are posted in the auditorium and throughout the production floor. The plans are bigger in size, and they matched with the plant layout. Factory also confirmed that signages are in the local language. (4) The factory confirmed that the exits in the auditorium open outwards. (5) The factory confirmed that the emergency exits in the fabrics store are marked and both exits in the auditorium are also clearly marked. [Note: The Human Resources Manager has been assigned to monitor the health and safety of the factory. He will conduct the inspection on a weekly basis, and also perform surprised inspection when deemed necessary.]	PC visit 11/17/2004		The PC visited the factory on the 12/22/04 and confirmed that (1) The evacuation arrows are marked in all places, and the evacuation signs are posted in the auditorium, packed goods store and finishing and packing sections; (2) "Keep Clear" yellow boxes are painted in the exit area; (3) The evacuation plans are posted in the auditorium and throughout the production floor; the plans are bigger in size and they matched with the plant layout. Moreover, the signage are in the local language; (4) The exits in the auditorium open outwards. (5) The emergency exits in the fabrics store are marked and both exits in the auditorium are also clearly marked. The PCs visited the factory on 7/5/05, and noted that the monitoring mechanism was properly set up.	Photos.
		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	6. Many workers in sewing operations had blocked their access to the aisles with bins and tables while there were others who were completely 'caged in' blocked from all sides with no means to access any aisle. 7.. A sewing machine was seen kept on the aisle in the production hall. 8. In the cutting section a metal shaft holding a roll of fabric was protruding over the aisle space. 9.. Sampling section is congested, aisles in the sewing area are quite narrow.	Visual inspection	No			(6) The factory should ensure that the sewing operation area is free from obstacles, such as bins and tables, and all aisles should be kept clear. (7) The factory should make sure the aisles in the production hall free from obstacles, and the idle sewing machines should be placed at warehouse. (8) The factory should ensure that machinery be installed with protective equipment, and moving parts of the machinery should have appropriate guards to prevent accidents. (9) The factory should provide sufficient passage space at sampling section, and aisles and walkways should be accurately and clearly marked to ensure safe passage.	The factory confirmed that all corrective actions had been taken by 12/01/04.	(6) The factory confirmed and agreed to keep the sewing operation area free from obstacles such as bins and tables, and keep all aisles clear. (7) The factory agreed to ensure that the aisles in the production hall are free from obstacles, and the idle sewing machines should be placed at warehouse. (8) The factory agreed to place the protruding shaft in a safe location. (9) The factory confirmed that the sampling section is moved to the other area, which is more spacious. This could ensure safe passage.	PC visit 11/17/2004		The PC visited the factory on 12/22/04 and confirmed that (6) The sewing operation area are free from obstacles such as bins and tables, and all aisle is clear; (7) Aisles in the production hall are free from obstacles, and the idle sewing machine is placed at warehouse; (8) The protruding shaft is placed in a safe location; (9) Sampling section is moved to the other place which is more spacious, and passages of the sewing area are clear.	Photos.

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Findings					Remediation				Company Followup (Update)		
			Monitor's Findings	Documentation (If finding was corroborated/verified through multiple sources, list all sources)	Was Finding Corroborated? Yes or No	If not corroborated, explain why	Best Practice	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate) 12/22/04 (announced) & 7/5/05 (unannounced)	Documentation
		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	10 Finishing section is quite congested with access to passages blocked with garment hangers. Some of the aisles are partly blocked with hanger – pack garments hanging from overhead monorails. There are instances where workers are surrounded with hanging garments and aisles are not quite visible to them. Some workers stated that at times they have jump over garments to get in or get out.11Passages between stacks were seen blocked with packed cartons on the first floor in the packed goods store.12. Emergency exit at the store was partly blocked with a work station.13. Mezzanine floor emergency exit staircase in the store is extremely steep and the foot boards overlap each other leaving barely 2 inches of space for stepping.	Visual inspection	No	Finding was incriminating		(10) The factory should keep aisles and passageways of the finishing section free from packed garments and other obstacles. (11) The factory should ensure that the passages between stacks on the 1st floor in the packed goods store are clear and without obstacles. (12) The factory should make sure that the emergency exit at the store is free from obstacles. (13) The factory should have no-slip surfaces of stairs used in the event of an emergency.	The factory confirmed that all the corrective actions had been taken by 10/23/04 with the exception of the stairs. This project is to be completed by 4/15/05. Besides, factory is planning to expand the production floor, which is scheduled to be completed by September 2005.	(10) The factory agreed to keep aisles and passageways of the finishing section free of packed garments and other obstacles. (11) The factory agreed to keep passages between stacks on the 1st floor in the packed goods store clear and without obstacles. (12) The factory agreed to make sure emergency exit at the store free from obstacles. In addition, the production floor is going to expand and the estimated completion date is around in September 2005. (13) The factory agreed to have no-slip surfaces of stairs used in the event of emergency. The factory will have a new stairway, and it is estimated to be completed by April 15, 2005. The finishing manager is in charge of the project.	PC visit 11/17/2004		The PC visited the factory on the 12/22/04 and confirmed the following observations. (10) The factory kept aisles and passageways of the finishing section free of packed garments and other obstacles. (11) The factory kept passages between stacks on the 1st floor in the packed goods store clear and without obstacles. (12) The emergency exit at the store was free from obstacles. (13) The PCs visited the factory on 7/5/05 and noted that the construction of the new stairway had been completed.	Photos.
		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	14 Stain removing Section next to cutting area has only one exit which opens inwards. 15 In the modular and training section an aisle was blocked with a bin and a worker was sitting on the aisle and assisting a sewing operator. Aisle is not marked with yellow lines.16 High-beam type emergency lights with battery back-up are not installed above some of the exits, staircase landings and evacuation routes. Where installed some of these lights were found to be not working while most of them had very weak illumination. When checked with a light meter at a distance of 1 foot, average lighting level was found to be only 100 lux.	Visual inspection	No	Finding was incriminating		(14) The factory should ensure that all exits open outwards, and there are two exits at the stain removing section. (15) The factory should keep all aisles and passageways free of obstacles, debris, refuse, and materials, and ensure that workstations be properly designed. Aisles and walkways should be accurately and clearly marked to ensure safe passage. (16) The factory should make sure to install high-beam type emergency lights with battery back-up at all exits, staircase landings and evacuation routes. In addition, the factory should ensure that the emergency lights are functioning, and they have adequate illumination. The factory should also ensure that workplace be adequately lit.	The factory confirmed that corrective actions had been taken by 10/31/04.	(14) The factory agreed to keep the exit at stain removing section next to cutting area opened outwards. The factory planned to expand the production floor and will ensure at least two exits at stain removing section. The completion date is around September 2005. (15) The factory agreed to keep all aisles free of obstacles and clearly marked, and to provide good working environment to employees. The factory will be more spacious after the expansion of the production floor, and employees are not allowed to sit on floor to work. (16) The factory agreed to install high-beam type emergency lights with battery back-up at exits, staircase landings and evacuation routes. Some lights that are not functioning well will be replaced. The factory agreed to add new fluorescent lights so as to maintain the lighting level pursuant to OSHA standard.	PC visit 11/17/2004		The PC visited the factory on the 12/22/04 and confirmed that issues underneath had been remedied. (14) Exit at stain removing section next to cutting area opens outwards. The factory is planning to expand the production floor and will ensure at least two exits at stain removing section. The completion date is around September 2005. (15) All aisles are free from obstacles, and yellow lines are clearly marked on the floor. Employees are prohibited from sitting on the floor. (16) The PCs visited the factory on 7/5/05 and noted that additional emergency lights had been installed at exits, staircase landings and evacuation routes. All of them are well functioning and they provide adequate illumination.	Photos.
Safety Equipment		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	1. There are not adequate fire extinguishers. Only 63 fire extinguishers for an area of 135000 sq. feet. Most fire extinguishers are located near the exits. Hence, there are instances of fire extinguishers being located quite far from some of the work areas. 2. Install a fire extinguisher and 'no-smoking' sign at the garbage room near the boiler. 3.. Need to provide eye wash cup and lotion and latex glove in first-aid boxes.	Visual inspection	No	Finding was incriminating		(1) The factory should ensure that the fire extinguishers be sufficient in number, and the extinguishers need to evenly scatter around the production floor. (2) The factory should place fire extinguishers and post "No Smoking" sign at the garbage room near the boiler. (3) The factory should provide eye wash cup, eye wash lotion and latex gloves in first aid boxes.	The factory confirmed that the corrective actions had been taken by 11/30/04.	(1) The factory agreed to increase the number of fire extinguishers that are evenly placed at the production floor. Fire extinguishers are now sufficient and easily accessible to workers. (2) The factory agreed to place sufficient fire extinguishers and post "No Smoking" sign at the garbage room near the boiler room. (3) The factory agreed to provide the latex glove, eye wash lotion and eye wash cup into the first aid box.	PC visit 11/17/2004		The PC visited the factory on 12/22/05 and confirmed that (1) Fire extinguishers are added and evenly placed at the production floor so as to make them more readily accessible. (2) Sufficient fire extinguishers are placed and posted "No Smoking" sign at the garbage room near the boiler room. (3) The PCs visited the factory on 7/5/05, and confirmed that the latex glove, eye wash lotion and eye wash cup were inside the first aid box.	Photos.

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Findings					Remediation				Company Followup (Update)		
			Monitor's Findings	Documentation (If finding was corroborated/verified through multiple sources, list all sources)	Was Finding Corroborated? Yes or No	If not corroborated, explain why	Best Practice	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up) 11/17/2004	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate) 12/22/04 (announced) & 7/5/05 (unannounced)	Documentation
PPE		Workers shall wear appropriate 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 hazardous elements including medical waste.	1. Some sewing machines did not have pedal mats while some operators had tampered with needle guards rendering them ineffective. 2. Some operators on over-lock operations were seen not using their protective masks hence were vulnerable to breathing in fabric dust. 3. Band knife operator was seen to be using protective mesh glove on one hand instead of both hands 4 Floating fabric dust was noticed in the finishing and packing section, however, workers were not provided with protective masks.	Visual inspection	No	Finding was incriminating		(1) The factory should provide pedal mats for all sewing machines, and ensure that the sewing operators use needle guards properly. (2 - 4) The factory should make sure that employees wear appropriate personal protective equipment (PPE) to prevent them from exposing to hazardous elements, including medical waste.	The factory confirmed that the corrective actions had been taken by 10/31/04.	(1) The factory agreed to provide all sewing machines with pedal mats. (2) The factory agreed to make sure that employees wear appropriate personal protective equipment (PPE) and the factory will provide training to them so as to ensure their H&S awareness, esp. PPE.	PC visit 11/17/2004		The PC visit the factory on 12/22/04 and confirmed that (1) All sewing machines are equipped with pedal mats and needle guards are properly used by sewing operators. (2) Employees working on over-lock operations wear protective face masks [i.e. personal protective equipment (PPE)] so as to avoid inhaling the fabric dust. (3) Band knife operator is using protective mesh gloves for both hands. (4) Employees in the finishing and packing sections are wearing protective face masks properly.	Photos.
Chemical Management		All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	Machine oil barrels were seen kept in the open exposed to sun and rain. Need to keep under a shed	Visual inspection	No	Finding was incriminating		The factory should store machine oil barrels in containers, and place them in areas that could lessen the chance of leaks, spills or fires.	The factory confirmed the corrective action had been taken on 12/01/04.	The factory agreed to build a shed to house machine oil barrels properly.	PC visit 11/17/2004		The PC visited the factory on the 12/22/04 and confirmed that a shed had been built, and machine oil barrels were stored properly.	Photos.
Ventilation/Electrical/facility maintenance		All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility	1. Lighting at needle point on sewing machines is intense and very bright ranging from 1500 to 2500 lux. Average lighting level observed was about 2000 lux which is far too excessive. 2. Loose machine wires were seen in sewing areas, in some instances close to operators' feet. 3. A wire was seen running across the passage in the sewing section. 4. A broken switch box was seen in the gents toilet block near the sampling section. 5. Open wire box with taped joint was seen next to hanger pack garment with poly-bag in the packed goods store. This is a fire hazard.	Visual inspection	No	Finding was incriminating		(1) The factory should ensure workspaces be adequately lit to ensure that workers be able to perform in a well-illuminated workplace, and without any jeopardy to their eyesight. (2) The factory should ensure that the electrical cords be in good conditions, without splices or taped repairs, and be properly encased to prevent shorting or fire. (3) The factory should ensure that the electrical wiring does not obstruct aisles, and it is securely taped to the floor in a manner that does not generate any additional hazards. (4 & 5) The factory should ensure switch box in good conditions to prevent shorting or fire.	The factory confirmed that the corrective action had been taken on the 12/22/04 except the lighting level at the needle point on sewing machines.	(1) The factory agreed to provide a well lit and comfortable working environment to employees. It will appoint a well-experienced electrical engineer to evaluate the lighting level of the entire factory. (2) The factory agreed to ensure that the machine wires at sewing areas be in good conditions. (3) The factory agreed to ensure that the electrical wires are securely taped to the floor without causing any hazards. (4) The factory agreed to maintain the switch box in male toilet near the sampling section in good conditions. (5) The factory agreed to ensure that electrical cords be properly cased, and free from obstacles.	PC visit 11/17/2004		The PC visited the factory on 12/22/04, and noted and confirmed that (1) The lighting at production floor are still very bright and no improvement has been made. Further follow up is considered necessary [see below]. (2) The machine wires at sewing areas were in good conditions and without contact with workers. (3) The electrical wires are securely taped to the floor without causing any hazards. (4) The switch box in the male toilet near the sampling section is in good conditions. (5) The electrical cords are properly cased and no obstacles are near the switch box. The PCs visited the factory on 7/5/05 to follow up on point (1). In response to the IEM's findings, the factory firstly conducted a test pilot to adjust the lighting to a comfortable level. The factory then contracted with an independent professional surveyor to do a physical working environment measurement on light, noise and air. The surveyor issued a letter and certified that the illumination level at the facility was satisfactory pursuant to the Factories Ordinance of Sri Lanka. Workers' opinions and comments regarding their comfort level under the adjusted lighting level were obtained, and their comments were positive.	Photos.
Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	There was no soap in the ladies toilet block in the hand wash area. There is no provision for 'hand drying' in the toilet blocks.	Visual inspection	No	Finding was incriminating		The factory should provide soap and hand drying facilities at all toilets.	The factory will provide the soap and hand dryer at toilets by 05/31/2005.	The factory agreed to provide soap and hand dryers at all toilets.	PC visit 11/17/2004		The PC visited the factory on 12/22/04, and confirmed that the soap was available in all toilets. However, hand dryers have not yet been installed. The PCs visited the factory on 7/5/05, and noted that the hand dryers had been installed in all toilets.	Photos.

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Findings					Remediation					Company Followup (Update)	
			Monitor's Findings	Documentation (If finding was corroborated/verified through multiple sources, list all sources)	Was Finding Corroborated? Yes or No	If not corroborated, explain why	Best Practice	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate) 12/22/04 (announced) & 7/5/05 (unannounced)	Documentation
Other			1. Most workers were not aware of any Health & safety training programs except for fire evacuation & First Aid. 2. Many standing workers were seen to be working bare feet while a large percentage of female workers were seen sporting high-heeled sandals. There are no rubber mats available for all standing workers. 3. Numerous instances of abdominal pain, head aches, body aches, neck, leg and eye pain, wheezing and phlegm were seen in the out patient register in the Medical Room. This could be owing to poor ergonomics, excessive lighting levels and inhalation of floating fabric dust. 4. A sewing machine placed next to an electric panel was found to be in operation in the cutting section. 5. Pictorial diagrams for use of PPE are not posted in cutting & sewing areas.	Visual inspection & interview with workers.	No	Finding was incriminating		(1) The factory should ensure that all employees be provided with health and safety training programmes. (2) The factory should provide rubber mats on the floor, and all employees should wear shoes as protection. (3) The factory should establish a system (with the support of the Medical Room) to investigate the common sickness of the workers, and identify its causes and derive preventive measures. (4) The factory should ensure that machinery has all protective equipment in place, and is operated in a way consistent with the manufacturer's specifications. The moving parts of machinery should have appropriate guards to prevent accidents. (5) The factory should post diagrams at the production floor to educate workers how to use Personal Protective Equipment (PPE) properly.	The factory confirmed that corrective action had been taken by 12/01/04.	(1) The factory agreed to provide in-house training to all employees on a regular basis in order to enhance their general awareness of Health and Safety. (2) The factory agreed to provide rubber mats on the floor, and require the employees to wear shoes. (3) The factory agreed to set up a system to investigate the medical instances and study the statistics of the medical reports. The factory appointed the Human Resources Manager and the Nurse to stay on top of this issue, and all sickness would be properly documented. (4) The factory agreed to ensure that the protective equipment is installed on the machinery, and the factory agreed to remove the sewing machine from the cutting section. (5) The factory agreed to post the pictorial diagrams for the use of Personal Protective Equipment (PPE) at production floor.	PC visit 11/17/2004		The PC visited the factory on 12/22/04 and confirmed all corrective actions are taken. (1) The factory provided training on health and safety to all employees. (2) Rubber mats are provided on the floor and employees who stand for work worn shoes as foot protection. (3) The factory had set up a system to closely monitor the common sickness of employees, identify the causes and derived corresponding preventive measures. (4) Sewing machine was removed from the cutting section. (5) Diagrams for the use of Personal Protective Equipment (PPE) are posted at the production floor. The PCs visited the factory on 7/5/05, and noted that the factory management had committed to studying medical statistics from the factory clinic to investigate the causes of various ailments, such as eye pains, body aches and other concerns.	Photos.
7. Freedom of Association and Collective Bargaining														
Employers will recognize and respect the right of employees to freedom of association and collective bargaining														
8. Wages and Benefits														
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits														
Wage Benefits Awareness	Wage Board Ordinance of Sri Lanka no. 27 of 1941, 40 of 1943, 19 of 1945, 22 of 1945. Board of Investments (BOI) labor standards and employment relations, section 10, 11, 12 & 15, factories Ordinance no. 14 of 1935 and 3 of 1946, Act no. 15 of 1948, 18 of 1958 & 24 of 1970.	Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law	Interview with workers revealed that they were not aware of the contents of the induction program being conducted in the facility.	Interview with workers	No	Finding was incriminating		The factory should ensure that all employees be well aware of the wages, incentive systems, benefits and bonuses to which they are entitled.	The factory confirmed that the corrective action had been taken, and the training would be an ongoing project.	The factory agreed to provide trainings such as induction program (with refreshment) to all employees so that they can be aware of wages and legally mandated benefits.	PC visit 11/17/2004		The PC visited the factory on 12/22/04 and confirmed the training had begun, and the employees had attended the training.	Outline of course/training and the attendance records, and interview forms.
Time-recording system		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards	1. Time records for Canteen & Housekeeping workers are not maintained. 2. Instances of discrepancy in time records were seen. As per pay records, few workers had worked for 7.5 hours but their time records reflected only 7 hours. Key record reveals that few workers from Sampling, packing & maintenance sections had worked on few rest days, but corresponding entries in time records were missing.	Interview with management and review of records	No	Finding was incriminating		(1) Regarding the outsourced services (Canteen & Housekeeping workers, and Security Guards), the factory should have an agreement with each of the outsourced parties. The agreement requires the outsourced parties to treat their workers pursuant to the local regulations, (for example, working hours, minimum wages and OT compensations, and legally mandated benefits). The outsourced parties are required to keep track of the working hours and to maintain the time cards and payroll records. On the other hand, the factory is required to monitor the outsourced parties, and to verify if they treat the workers properly. (2) The factory should ensure that time records must truly reflect the working hours, and this record serves as a basis to calculate wages.	The factory fully understands the approach and is under discussion with the outsourced parties. In addition, the factory agreed to closely monitor the time records and ensure its accuracy. The corrective actions will be taken by May 31, 2005.	(1) The factory agreed to sign an agreement with each of the outsourced parties which employ security guards, canteen and housekeeping workers. This will ensure that the security guards, canteen and housekeeping workers be treated pursuant to the local legal requirements. (2) The factory agreed to closely monitor the time recording system, and ensure that employee's working hours be truly reflected on time records.	PC visit 11/17/2004		The PC visited the factory on 12/22/04, and reviewed the time records and payrolls for the month of November 2004, and confirmed that the employees working hour were properly captured by the time cards. However, the factory was under negotiation with the outsourced parties to sign the contract. The PC visited the factory on 7/5/05, and noted that the factory is still under discussion with the outsourced parties including security guards, canteen and house-keeping workers. The PCs are keeping on asking the factory to finalize the outsourcing contracts. When the PCs are informed that the contracts have been concluded, they will conduct another follow up audit, and select workers of the outsourced parties, and conduct interviews to ensure that they are paid properly, and their working hours are not excessive.	Copy of payroll records and time records in November 2004. A copy of agreement will be attached.

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Findings					Remediation					Company Followup (Update)	
			Monitor's Findings	Documentation (If finding was corroborated/verified through multiple sources, list all sources)	Was Finding Corroborated? Yes or No	If not corroborated, explain why	Best Practice	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up) 11/17/2004	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate) 12/22/04 (announced) & 7/5/05 (unannounced)	Documentation
Record Maintenance		All compensation records will be maintained accurately and should be acknowledged by the employee as accurate.	Discrepancy in wage payments noticed for the month of September 04. Workers were paid less than what was due to them. There was an error in calculation of attendance bonus (which is an extra allowance given to those workers who have continuous attendance at work) & overtime hours worked & compensation. This error was due to change of payroll system and error in the time clocks. The management have worked out the differential amounts and confirm that this would be paid along with wages for October 04. It appears that parallel records are maintained however, these were not available for review. Due to inaccurate time records, we cannot confirm if the differential amounts are correct.	Review of records and interview with management	No	Finding was incriminating		The factory should strengthen the accounting internal controls to ensure that the workers' wages are accurately calculated. The payroll system and time clocks should be maintained and functioned well. Both regular and overtime hours must be recorded in the same system, and wages should be calculated based on all hours worked tracked by the system.	The factory confirmed that the corrective action had been taken on 10/20/04.	The factory agreed to enhance the accounting internal controls by taking the following steps. The time clocks are checked by the accounting staff once a week. The payroll system which has been newly adopted will be monitored and audited by an external auditing firm. The accounting staff is responsible for calculating workers' wage, and the Human Resources Manager be responsible for verifying both payroll and time records.	PC visit 11/17/2004		The PC visited the factory on 12/22/04 and confirmed that factory paid back the difference on calculating wages of October 2004 to employees together with wages of November 2004.	Copy of payroll records in November 2004.
Legal benefits		Employers will provide all legally mandated benefits to all eligible workers.	A worker who ***is not engaged in production process*** is not being provided mandated benefit of EPF.	External information	No	Information received after we left the factory on the last day of the audit.		The factory should ensure that all employees be provided with legally mandated benefits. The PC will interview the ***worker*** to confirm whether s/he is paid by the factory or personally by the director.	N.A.	The ***worker*** works ***** for Director at the factory and it does not fall into the audit scope.	PC visit 11/17/2004		The PCs visited the factory on 7/5/05 but were unable to find the ***worker***. The PC will interview the *** to confirm whether s/he is paid by the factory or personally by the director.	Record of interview
9. Hours of Work														
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period														
Overtime Limitations	BOI (Board of Investments) standards on Hours of Work. Factories Ordinance Act 6 & 32 of 1984.	Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts	1. While female Security guards work on 12 hour shifts, male security guards work on 24 hour shifts, after which they get a break for 24 hours and then again get back for a 24 hour shift. Instances of Chief Security Officer being on duty for 48 hours at a stretch over a weekend noticed. 2. Few workers in the Sampling section, packing section & maintenance staff have worked on few rest days over the past 3 months. 3. Instances of workers not being provided with compensatory off within the week for work done on rest day noticed.	Review of records and interview with security guards and management	No	Finding was incriminating		(1) Regarding the outsourced services (Canteen & Housekeeping workers, and Security Guards), the factory should have an agreement with each of the outsourced parties. The agreement stipulates the outsourced parties to treat their workers pursuant to the local regulations, (for example, working hours, minimum wages and OT compensations, and legally mandated benefits). The outsourced parties are required to keep track of the working hours and to maintain the time cards and payroll records. On the other hand, the factory is required to monitor the outsourced parties to verify if they treat the workers properly. (2 & 3) The factory should ensure that employees be provided with one rest day in every seven day period.	The factory confirmed that the corrective action had been taken on the 12/01/04.	(1) The factory agreed to sign an agreement with each of the outsourced parties which employ security guards, canteen and house keeping workers. This will ensure that the security guards, canteen and house keeping workers be treated pursuant to the local legal requirements. The factory agreed to set up a mechanism to keep track of the working hour of those employees working for security guards so as to closely monitor their working hour. (2 & 3) The factory should arrange at least one day off in a week.	PC visit 11/17/2004		The PC visited the factory on 12/22/04, and reviewed the attendance records for the month of November 2004, and confirmed that all employees had at least one day off in a week. The factory was still under negotiation with the security guard company to come up with a mutually agreed agreement. The PC visited the factory on 7/5/05, and noted that the factory is still under discussion with the outsourced parties including security guards, canteen and house-keeping workers. The PCs are keeping on asking the factory to finalize the outsourcing contracts. When the PCs are informed that the contracts have been concluded, they will conduct another follow up audit, and select workers of the outsourced parties, and conduct interviews to ensure that they are paid properly, and their working hours are not excessive.	Copy of time records in November 2004.
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary	Factory does not have a system to ensure that overtime is voluntary.	Interview with management	No	Finding was incriminating		The factory should establish a system in place to ensure that working overtime be on a voluntary basis.	The factory confirmed that the corrective action had been taken 11/01/04.	The factory agreed to establish a system to ensure that all overtime is on a voluntary basis. The factory will obtain the consent of all workers by signing a letter once a month.	PC visit 11/17/2004		The PC visited the factory on 12/22/04 and confirmed that the letter was signed between employees and the factory. The letter stated that workers would work overtime on a voluntary basis. The letter is signed once a month.	Copy of letter for voluntary OT work.
Other			Canteen worker stated that on few occasions he had to work in a restaurant owned by his employer (Canteen subcontractor) after completing his shift in the factory canteen. He was also consuming a lot of medicine mainly for stomach ailment & weakness.	Interview with worker & review of medicine consumption register maintained by Nurse.	No	Finding was incriminating		Regarding the outsourced services (Canteen & Housekeeping workers, and Security Guards), the factory should have an agreement with each of the outsourced parties. The agreement requires the outsourced parties to treat their workers pursuant to the local regulations, (for example, working hours, minimum wages and OT compensations, and legally mandated benefits). The outsourced parties are required to keep track of the working hours and to maintain the time cards and payroll records. On the other hand, the factory is required to monitor the outsourced parties to verify if they treat the workers properly.	The factory fully understands the approach and is under discussion with the outsourced parties. The corrective actions will be taken by May 31, 2005.	The factory agreed to sign an agreement with each of the outsourced parties which employ security guards, canteen and house keeping workers. This will ensure that the security guards, canteen and house keeping workers be treated pursuant to the local legal requirements.	PC visit 11/17/2004		The PC visited the factory on 12/22/04 and 7/5/05, and noted that the factory is still under discussion with the outsourced parties including security guards, canteen and house-keeping workers. The PCs are keeping on asking the factory to finalize the outsourcing contracts. When the PCs are informed that the contracts have been concluded, they will conduct another follow up audit, and select workers of the outsourced parties, and conduct interviews to ensure that they are paid properly, and their working hours are not excessive.	A copy of the agreement.

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Findings					Remediation				Company Followup (Update)		
			Monitor's Findings	Documentation (If finding was corroborated/verified through multiple sources, list all sources)	Was Finding Corroborated? Yes or No	If not corroborated, explain why	Best Practice	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up) 11/17/2004	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate) 12/22/04 (announced) & 7/5/05 (unannounced)	Documentation
10. Overtime Compensation														
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.														
Accurate recording of OT hours worked?	BOI (Board of Investment) standards on Wages and overtime payment. Factories Ordinance Act 7 & 32 of 1984.	Employees will 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	Few workers who had worked on rest days in September 04, have not been compensated accurately for number of hours worked . E.g. while pay records show compensation paid for 7 hours only, a worker had in actual worked 7.5 hours as per time record	Review of records and interview with workers	No	Finding was incriminating		The factory should ensure that employees be paid accurately. The time records must truly reflect the working hours, and this record serves as a basis to calculate wages.	The factory confirmed that the corrective had been taken on 10/20/04.	The factory agreed to enhance the accounting internal controls by taking the following steps. The time clocks are checked by the accounting staff once a week. The payroll system which has been newly adopted will be monitored and audited by an external auditing firm. The accounting staff is responsible for calculating workers' wage, and the Human Resources Manager be responsible for verifying both payroll and time records.	PC visit 11/17/2004		The PC visited the factory on 12/22/04 and confirmed that the factory had properly calculated the working hour and paid accordingly. The differential amount for payrolls in September had been settled with the employees. It was also noted from the payrolls and time cards of November 2004 that factory accurately calculated and properly compensated to employees.	Copy of payrolls and time cards for September and November 2004.
OT Compensation		The factory shall comply with applicable law for premium rates for overtime compensation	Canteen worker who works another shift in a restaurant owned by the same employer (Canteen subcontractor) is not compensated for those extra hours worked.	Interview with worker	No	Finding was incriminating		The factory should ensure that all employees who work overtime (in the factory) should be properly compensated in accordance with local legal regulations.	The factory confirmed that they had taken the corrective actions on the 12/31/04.	The factory agreed to ensure the canteen staff be properly compensated for working overtime in the factory as per legal requirement.	PC visit 11/17/2004		The PC visited the factory on 12/22/04 and confirmed that the canteen was run by another contractor. A new contract was signed between the contractor and the factory. The contract stipulates the new contractor to treat its workers pursuant to local regulations. The PC reviewed the contract with no exceptions noted.	A copy of the contract.
OT Compensation Awareness		Workers shall be informed about overtime compensation rates, by oral and printed means	Few workers interviewed were not aware of the calculation of compensation for overtime hours worked.	Interview with workers	No	Finding was incriminating		The factory should ensure that all workers understand the way how to calculate the overtime compensation.	The factory confirmed that the corrective action had been taken on the 12/01/04.	The factory agreed to intensify the training program provided to employees in order to educate them on how to calculate the compensation of overtime hours. It is to be done on a regular basis. In addition, a policy on the calculation of O.T. is now written into the employee's handbook, and it will be distributed to all employees. This will further enhance workers' awareness.	PC visit 11/17/2004		The PC visited the factory on the 12/22/04 and confirmed that the training programme had commenced. All employees are educated as to how to calculate the overtime compensation. The written policy on the calculation of OT premium has already been incorporated into the employee's handbook. The PC visited the factory on 4/19/2005, and confirmed that the OT calculation had been included. A copy was obtained for PC records.	Outline of course/training, the attendance records and a copy of employee's handbook.
Miscellaneous														
Unauthorized subcontracting			Factory subcontracts to the following companies but this was not disclosed by the Management (*****). There is no evidence of approval of these sub-contractors by the brands.	Documentation review	No	Finding was incriminating		Unauthorized subcontracting is not allowed pursuant to PCs' policy. The factory has to obtain PCs' prior approval before engaging in any subcontracting activities. The PCs will reiterate to the factory that no unauthorized subcontractors are allowed unless approval is obtained from PCs.	Effective immediately	The factory agreed to obtain the consent of PCs before engaging in any subcontracting activities.	PC visit 11/17/2004		The PCs have made it clear to the factory that unauthorized subcontracting is strictly prohibited. The QA and Compliance departments of PCs have been informed to stay alert.	N.A.