

FLA Audit Profile	
Country	Bangladesh
Factory Name	36000502CV
IEM	LIFT Standards Limited
Date(s) in Facility	August 31 and September 2, 2004
PC(s)	Puma
Number of Workers	2078 (annex 1)
Product(s)	Oven & Knit Products
Production Processes	Cutting, Sewing, Finishing, Dying, Knitting, Washing, Printing

FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Findings	Monitor's Findings	Documentation	Remediation		Company Verification Follow up		Company Follow up (Status)		Company Follow up (Status)		Third-Party Verification		Company Verification Follow up		
						PC Remediation Plan	Target Completion Date	Company Follow up (2nd follow up visit done on September 26-27, 2005)	Documentation	Completed/ Pending/ Ongoing	Company Follow up (follow up visit done on September 26-27, 2005)	Documentation	Completed/ Pending/ Ongoing	External Verification (18-171 May 06)	Documentation	Company Follow up (August 29 & 29/2006)	Documentation	
Code Awareness																		
Code Posting/Information	CoC needs to be posted at the factory floor in local language.	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.	CoC was only found posted in the notice board next to Production Director's room. No CoC was found at the production floor.	Visual Inspection	Post copy of CoC at strategic places in all working areas.	June 30, 2005	Copies of the CoC with reporting channel for non-compliance are posted at existing production areas. There is ongoing construction of a new building (to be finished end 2005). Additional copies will be posted upon completion of the areas.	Inspection	Completed in the old areas; pending in the new areas being constructed.	Inspection	New buildings still not completed but other portions already operational; copies of Code of Conduct with sticker labels posted at these operational building; copies to be provided at other portions upon completion.	Inspection	Pending	Puma CoC posters are posted (2 posters at Puma Sewing floor, One in finishing floor and at office stair) However no poster on the production floor (Basic floor and Orange floor) found temporary working floor for PUMA production. Management informed that full PUMA production will be shifted to the newly constructed building where every facility will be ensured.	Visual observation and management interview	New building still not completed but some floors are already operational. Some copies of the Code of Conduct were found in these operational areas.	Inspection	
Worker/Management Awareness of Code		FLA Principle of Monitoring, Obligation of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	Workers do not know regarding CoC	Worker Interview	a) Provide briefing to management & supervisory staff and workers on the contents of CoC. b) make CoC a part of the topics in briefing new workers.	June 30, 2005	a) Management, supervisors and worker-members of the Welfare Committee are aware of the contents of CoC. b) Contents of CoC will be included in the new employee handbook. Factory will brief old and new workers on the new handbook.	Interview; review of documents	Pending	a) Management, supervisors and worker-members of the Welfare Committee are aware of the contents of CoC. b) Contents of CoC will be included in the new employee handbook. Factory will brief old and new workers on the new handbook.	Interview; review of documents	Items in the CoC are included in the new employee handbook. Briefings to workers were conducted (welfare committee).	Interview; review of documents	on-going	Both workers and supervisors are not aware about the contents of CoC. Workers did not under go a systematic training programme. Workers remain unaware on CoC	Worker and supervisor interview; records review and management interview	Briefings on CoC were conducted with supervisors and all workers were briefed, but all were provided copies of handbook. Factory will institute a new training plan for new workers that covers these items.	Interview; review of documents
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.	Company has not put in place any confidential non compliance reporting mechanism	Visual Inspection and Management Interview	Puma will place sticker label on every copy of CoC indicating the contact information for any inquiry or for reporting any violation of the CoC.	June 30, 2005	missed by Puma in first follow up audit; completed in July 2005 (checked during the follow up audit on Sept. 26-27, 2005)	Inspection	Pending	completed in July 2005	Inspection	Inspection	Completed	Sticker with Puma contact person number and email address is labelled on every copy of CoC for any inquiry or for reporting any violation of the CoC	Visual observation	Staff and workers are not aware about the contact person and number.		
Other			From the first factory visit (31. August 2004) the auditors were prohibited to take pictures. On second factory visit on 2nd September 2004, the auditors are not allowed to continue with their audit as it was unannounced. LIFT Standards Ltd. faxed the access letter to the head office but as the local representative of Puma didn't know the procedure of FLA unannounced audit and he did not support the access to the factory. Consequently auditors were kept waiting for 3 hours. Later the management talked to Puma head office and allowed the auditors to continue the audits. There was lack of co-operation from the factory-side compared to the first day factory visit.		Puma will brief its local representative and the factory about the FLA audit, its unannounced nature, purpose and scope, and the cooperation that the factory should extend to the FLA auditors. Factory will also be asked to sign the FLA access letter.	June 30, 2005	All local PUMA staff and factories were made aware of potential FLA visits, including its international/local monitors and unannounced nature of FLA audits. Factory already signed FLA access letter.	Inspection	Completed	All local PUMA staff and factories were made aware of potential FLA visits, including its international/local monitors and unannounced nature of FLA audits. Factory already signed FLA access letter.	Inspection	Inspection	Completed	Access in the factory and working throughout the audit was easy.	Experienced throughout the audit			
Forced Labor	There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise																	
Freedom in Employment	All workers will have the right to enter into and to terminate their employment freely.		Workers are not allowed to resign on their own. No proper termination procedure exists, rather forced to give resignation. There is no procedure for resignation/termination. Workers are provided with gate pass where the date is mentioned to come take the dues. Workers are forced to resign or verbally terminated by issuing the gate pass without indicating any reasons. But in the register, false causes of termination is shown like, indiscipline, inattentive, under-age, resignation, non-productive, etc.	Worker Interview	a) Formulate guidelines and procedures for resignation. Guidelines should include reasonable time for giving notice for resignation, which should not be shorter than the period provided for by law, getting clearance for accountabilities and ensuring the payment of remaining wages and other benefits of the resigning worker. b) Inform all workers and other personnel involved in the implementation of the new guidelines. c) Post guidelines on the bulletin boards. d) For cases of termination, please refer to line 28 on disciplinary practices.		a) Employee Handbook is being developed will contain these items. First draft to be submitted to PUMA staff by September 30, 2005 for verification of content prior to translation to local language. Final Handbook should be ready for distribution by October 31, 2005. b) Workers have to be informed both through written and verbal means in consideration of the high level of illiteracy among factory workers. Compliance staff will design a training program for old and new workers that includes all new guidelines. c) Current guidelines posted.	new materials Pending	a) New factory policies include notice period for resignation and clearance procedures. Still to be included in procedures in payment to worker of remaining salary and unused leaves. Grounds for termination have been established but clear description is required as "physical incapacity" as ground for termination. It should be supported by a medical finding and should be in accordance with law. b) Employees will be briefed on these new policies / procedures once they are finally approved. Target date	a) Procedures for payment of remaining salary and unused leaves to resigning worker already included. Clearance form includes notation of benefits back wages accruing to the worker. Physical incapacity as ground for termination is also defined, in the new handbook. b) All employees already provided with new handbook with new rules and regulations. Briefing on new regulations provided to some workers (welfare committee), with further briefings to be conducted within production areas.	review of old documents and revised proposed handbook; management and workers' interview	Completed	On-going	a) The resignation guideline and procedure are not included in the Employee Handbook. A separate resignation policy is developed by factory but not signed by the authority. b) workers and staff are not informed and aware about the policy (i) no training records found for new and existing employee on the issue. (ii) the policy is only posted in the factory.	Documents review and management interview; interview worker and staff	a) Resignation procedures and guidelines including payment of remaining salary and unused leave were developed and completed though not bearing the signature of management b) Briefings on CoC were conducted with supervisors and the newly expanded Welfare Committee. Not all workers were briefed, but workers were provided copies of handbooks. Factory is planning to institute a new training plan for new workers that	Interview; review of documents	
Child Labor	No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.																	
Age Documentation	Employers will maintain proof of age documentation for all workers, such as a birth certificate, which verifies date of birth.		Blank certificate of age verification signed by the doctor is found in the admin department. During recruitment process, these certificates are filled by admin department fill up the age and date etc.	Document review	Issue instruction to administrative department to stop using the blank forms of age verification and to require applicants to submit age documents from the government or age verification certificate from licensed doctors	June 30, 2005	New doctor employed by factory has standard blank forms for age verification which he signs only upon examining patients. Factory has stopped use of ready form with doctor's signature from a previous medical facility.	management and doctor's interview; document review	Completed	New doctor employed by factory has standard blank forms for age verification which he signs only upon examining patients. Factory has stopped use of ready form with doctor's signature from a previous medical facility.	management and doctor's interview; document review	There are still inconsistencies in the age certification documentation used by the factory, i.e. age as indicated in contracts, medical certificate do not match; age indicated in medical certificates and contracts of current workers are not sequential across their old and new contracts).	management and doctor's interview; document review	Pending	a) No case of using blank form for age proof is identified but no instruction was issued to administrative department to stop the practice of using blank form b) New factory doctor issue the age and fitness certificate to new employee. c) However the age certificate is issued by doctor back dated as it takes 2 to 3 weeks to open the personnel file and the documentation procedure. There implies the risk of juvenile or child not to be identified at the time of recruitment.	Process review; documentation check and interview worker and factory doctor	Age verification form is no longer pre-signed by the doctor. It is the doctor or his assistant who signs the form after examination of the applicant. As a step further, the factory will implement a new screening procedure that ensures the doctor to be present during receiving of applicants. Only applicants who pass the age verification by the doctor will go through the other recruitment procedures	Management interview
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 or abuse.																	
Physical Abuse	Employers will not use physical discipline, including slaps, punches or other forms of physical contact. Employers will prohibit screaming, threatening, or demeaning verbal language		Physical and verbal abuse were found while talking with workers.	Worker Interview	a) Formulate policy prohibiting any form of harassment or abuse and set up a system for reporting cases of such nature. b) Include policy of non-retaliation whether for reporting any case or for raising any issue or complaint. c) Inform all workers and other personnel involved in the implementation of the new guidelines. d) Post guidelines near suggestion boxes.		a) Employee Handbook being developed will contain these items. First draft to be submitted to PUMA staff by September 30, 2005 for verification of content prior to translation to local language. Final Handbook should be ready for distribution by October 31, 2005. b) Workers have to be informed both through written and verbal means in consideration of the high level of illiteracy among factory workers. Compliance staff will design a training program for old and new workers that includes all new guidelines. c) Current guidelines posted.	review of old documents and revised proposed handbook; management interview	Pending	a) New policy on harassment or abuse includes reporting mechanism but still needs to include guarantee of non-retaliation for worker b) Employees will be briefed on these new policies / procedures once they are finally approved. Target date is November 30, 2005.	review of old documents and revised proposed handbook; management interview	Welfare committee members briefed on harassment and abuse reporting mechanism. Management briefing for other workers on new policies ongoing. New handbook on new policies and regulations, including guarantee of non-retaliation, has been distributed.	review of old documents and revised proposed handbook; management interview	On-going	a) Policy on prohibiting harassment and abuse is formulated and included in the Employee Handbook b) Policy on non-retaliation is also included in the Handbook. c) Workers are not communicated or trained on these new policy d) guidelines not posted near the suggestion box. e) Case of physical abuse has reduced but still one individual case of physical abuse has been identified	Documentation review; management interview and worker interview and visual observation	Welfare committee was expanded to cover more sections. All committee members, heads of units and supervisors were briefed on the harassment and abuse reporting mechanism (briefing included evaluation test) Posters about the functions of the committee were reduced but still one individual case of physical abuse was visible at different working areas.	Document review; interview of committee members; inspection

Findings		Remediation		Company Verification Follow up		Company Follow up		Company Follow up		Third-Party Verification		Company Verification Follow up				
FLA Code/Compliance Issue	Courtesy/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	PC Remediation Plan	Target Completion Date	Company Follow up (2nd follow up visit done on September 26-27, 2005)	Documentation	Completed, Pending, On-going	Company Follow up (follow up visit done on September 26-27, 2005)	Documentation	Completed, Pending, On-going	External Verification (16 - 17) May 06	Documentation	Company Follow up (August 28 & 29 2006)	Documentation
Disciplinary Practices		Employers will utilize consistent written disciplinary practices that are applied fairly among all workers	The management spontaneously throwing out the workers without a procedure to investigate the reasons which possibly lead to disciplinary action.	Worker interview	a) Formulate rules on discipline together with a list of offenses and their respective penalties in graduated manner. Specify which offenses are punishable by termination. Include the procedures for investigating the offenses charged in such a way that the erring worker is given due process and an opportunity to question the propriety of the penalty imposed. b) Brief all management staff and existing workers on this. c) Include this topic in briefing new workers.	June 30, 2005	a) Workers' Handbook being developed will contain these items. First draft to be submitted to PUMA staff by September 30, 2005 for verification of content prior to translation to local language. Final Handbook should be ready for distribution by October 31, 2005. Documentation must be complete throughout the process to insure that due process is applied. b) & c) Ensure that Compliance staff design a training program for old and new workers that includes all new guidelines.	review of proposed handbook; management interview	Pending	a) Factory had already established the grounds for termination but still needs to make a clear description of "physical incapacity" as ground for termination. b) "Physical incapacity" should be supported by a medical finding and should be in accordance with law. It has also established procedures for investigation of the offense including an opportunity for worker to answer the charges and the procedure to follow if he did not agree to the penalty. b) Employees will be briefed on these new policies / procedures once they are finally approved. Target date is November 30, 2005	review of proposed handbook; management interview	On-going	a) Detail rules and steps on disciplinary system is formulated and included Employee Handbook and distributed among the workers (who have passed the probation period) b) No briefing / training system for staff, new and old employee on the policy and procedure. But the practice of not following disciplinary system remain same. Separated workers issued gate pass from the factory will get payment but if gate pass is not issued that worker will not get any payment.	Documents collected and reviewed; Management, staff and worker interview	Factory is planning to disseminate a new training plan for new workers that covers the COC and handbook	Interview; document review
Access to Facilities		Access to food, water, toilets, medical care or health clinics or other basic necessities will not be used as either reward or punishment	They are not allowed to go to the toilet at their own will.	Worker interview	a) Formulate guidelines on the reasonable use of toilet for work and restriction should be imposed on the workers. b) Brief all supervisors and workers on these guidelines. c) Post guidelines on the bulletin boards.	June 30, 2005	Factory currently uses single toilet cards to control the flow of toilet use, especially in the production areas with light fabrics. Factory will use multiple toilet cards in order to ensure less queuing time, to be finalized by September 30, 2005	Toilet cards inspection; interview	Pending	Factory has discontinued the use of toilet cards and workers only have to inform supervisors verbally.	Toilet cards inspection; interview	Completed	a) Formulated guidelines on the reasonable use of toilet for work and no restriction should be imposed on the workers. b) Briefed supervisors and workers on these previous practice has stopped. c) Posted guidelines on the bulletin boards. The issue has been resolved and no toilet restriction is practiced.	Documents collected; staff and worker interview; observe practice	No new findings on this	
Monetary Fines and Penalties		Employers will not use monetary fines and penalties for poor performance	Deduction is done due to rework, failure to achieve targets and being late of 3 days a month.	Worker interview	a) Issue instruction to stop monetary penalties and that all penalties should be in accordance with rules. b) Brief all management staff and workers about this new instruction.	June 30, 2005	Factory denied having deductions for rework and failure to achieve targets, but admitted to deductions for tardiness. a) Factory agreed to issue instruction to stop monetary penalties and that all penalties should be in accordance with the rules on discipline to be formulated and finalized by October 2005. b) Staff had already been informed of this verbally.	interview	Pending	Factory denied having deductions for rework and failure to achieve targets, but admitted to deductions for tardiness. a) Factory agreed to issue instruction to stop monetary penalties and that all penalties should be in accordance with labor law in the rules on discipline as found in the Employee Handbook to be distributed in October 2005. b) Staff had already been informed of this verbally.	interview	On-going	a) No instruction / copy found that penalties should be in accordance with the rules on discipline. b) workers are not communicated on the instruction. But OT deduction is still done in case of doing wrong work in the floor.	Management interview and request for documents; Worker interview and witness interview	No disciplinary cases found	Interview; review of documents
Other			The factory does not have a Harassment and abuse policy or procedures	Management interview	a) Formulate policy prohibiting any form of harassment or abuse and set up a system for reporting cases of such nature. Include policy of non-retaliation whether for reporting any case or for raising any issue or complaint. b) Brief all workers and staff on these policies. c) Post the policy at or near the suggestion boxes	June 30, 2005	a) Workers' Handbook being developed will contain these items. First draft to be submitted to PUMA staff by September 30, 2005 for verification of content prior to translation to local language. Final Handbook should be ready for distribution by October 31, 2005. b) All workers should be briefed on new policies, particularly worker representatives in the Worker Welfare Committee (see action below).	review of proposed handbook; management interview	Pending	a) Factory already formulated policy on harassment or abuse but still has to include an assurance that no retaliation shall be taken against the worker making the report and the procedure how workers can report cases of abuse. b) Employees will be briefed on these new policies / procedures once they are finally approved. Target date is November 30, 2005	review of proposed handbook; management interview	Completed	a) Harassment and abuse policy formulated. b) staff and workers are not communicated / briefed through training c) policy is not posted near the suggestion box.	Documents collected; staff and workers interview; visual observation	Welfare committee was expanded to cover more sections. All committees members, heads of units and supervisors were briefed on the harassment and abuse reporting mechanism (briefing included evaluation test)	Interview; review of documents
5. Non-discrimination																
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.																
Pregnancy Dismissal		Employers will not, on the basis of a woman's pregnancy, make decisions that result in dismissal, threat to dismiss, loss of seniority, or deduction of wages	Maternity leave & benefits are not paid to the workers. Workers are told to give resignation during their advance stage. For skilled workers, they are assured to be re-employed after the delivery of the child.	Document review and worker interview	a) Formulate policy for the payment of maternity leave in accordance with legal requirements including assurance that after maternity leave worker will be restored to her employment status prior to maternity leave. b) Brief all management staff and workers about this. Include this topic in briefing new workers.	June 30, 2005	not yet done. Updated maternity leave policy is to be included in the new Employee Handbook (see below). To supplement the record of maternity leave payment, factory was instructed to keep record of pregnant women including the expected dates of delivery/HSC.	interview, maternity leave paymen.	Pending	a) Policy already formulated but needs to add assurance that worker will be accepted when she returns back to work with the same status and to work prior to the leave. b) Employees will be briefed on these new policies / procedures once they are finally approved. Target date is November 30, 2005. Note: Members of Workers Welfare Committee who were interviewed (out of 23 workers members) knew that workers can return back to work.	review of proposed handbook; management interview	Completed	a) Developed policy for the payment, leave and benefit and maternity record is maintained. b) No briefing or training for the new workers on this issue and workers are not aware about the facility. One isolated case of non payment of maternity leave is identified	Documents collected; staff and workers interview with witness interview	In June 2006, the factory started tracking of pregnancy cases for the purpose of monitoring the leave benefits.	Document review, interview of committee members, inspection
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																
Document Maintenance/ Accessibility		All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language	Machinery, equipment, chemical safety and fire safety policies and procedures are not updated	Document review	a) Update safety policies and procedures according to government requirements and suitable to factory's needs. b) Prepare and implement regular safety inspection and maintenance schedule and document each activity	June 30, 2005	Factory has already updated all safety policies and standards. Regular safety inspection is being done.	interview and document review	Completed	Factory has already updated all safety policies and standards. Regular safety inspection is being done.	interview and document review	Completed	a) Policies and procedure on machinery, chemical and fire safety is prepared b) regular inspection is conducted and documented	Management and staff interview and documentation check and visual observation	No new findings on this	
Evacuation Procedure		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	The evacuation plan is not clear to the workers. The aisle width is not as per the factory act. No light in the exit door & the width of the exit door is not as per standard. The fire alarm is not controlled centrally. No procedures are posted that deal with first aid. Only 4 first aid boxes for 1500 workers on the entire floor.	Visual inspection	a) Prepare evacuation plan that matches with the arrangement of the workplace, brief workers and use it in conjunction with a fire drill. b) Primary aisles should be at least 1.1 meters and secondary aisles at least 0.8 meter wide. c) Provide exit sign and emergency light leading to the exits; check both items regularly. d) Exit door should be swing out type and width should be at least equal to the width of aisle leading to exit. e) Provide central fire alarm with switches at every section; use fire alarm in conjunction with every fire drill. f) Prepare emergency procedures for first aid cases; brief workers about them and post on bulletin boards; conduct regular first aid training. g) provide first aid box for every section on each floor of the factory.	June 30, 2005	a) Evacuation plan is provided at all existing facilities. b) old facilities complied c) Factory agreed to provide lighted exit signs and emergency lights and these were found in most areas of the existing facility. d) some doors in existing facility still sliding type. e) switches have been provided at all sections. f) First aid cases have summary procedures stored nearby and there is evidence of regular first aid training. g) All sections inspected have first aid kits but are missing sterile scissors for gauze.	Inspection	a) Completed for old facilities; pending for new facilities b) Completed for old facilities; pending for new facilities c) Pending d) Pending e) Pending f) Completed a) Pending	a) Evacuation plan is provided at all existing facilities. b) old facilities complied c) Factory agreed to provide lighted exit signs and emergency lights and these were found in most areas of the existing facility. d) some doors in existing facility still sliding type. e) switches have been provided at all sections. f) First aid cases have summary procedures stored nearby and there is evidence of regular first aid training. g) All sections inspected have first aid kits but are missing sterile scissors for gauze.	Inspection	Completed	a) Evacuation plan is prepared but I am here sign is not mentioned in it, workers are not acquainted with the evacuation plan b) aisles are marked properly c) Some exit lights found not functioning. d) One exit door (basic floor at the back side found narrow) Fire alarm is not effective (fire alarm tested during the audit but workers did not give any attention to the alarm.) f) completed g) Insufficient first aid box in the PUMA floor, according to the number of workers the floor requires one more first aid box to be placed.	Visual observation; workers interview; fire fighter interview and practical test	Exit lights were functioning. Emergency lights, however, were regular lights only. The narrow exit door was widened	Inspection
Safety Equipment	Occupational Safety and Health to be maintained as per The factories ACT, 1965	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	Number of fire extinguishers are inadequate. 2 of them were not charged. Medical room has only one bed for entire factory.	Visual inspection	a) Provide fire extinguisher for every 40 sq. m. areas inspected. b) Provide fire extinguisher and provide inspection tag for each unit; units to be inspected also by outside professional tester at least once a year. b) Provide at least three additional beds for the clinic; assign a part-time doctor and full-time nurse	June 30, 2005	a) Production areas seen had appropriate number of fire extinguishers. Inspections done were on a monthly basis. b) Factory now has a full time doctor and part-time nurses. Number of beds not yet increased.	Inspection	a) Completed b) Pending for number of beds	a) Production areas seen had appropriate number of fire extinguishers. Inspections done were on a monthly basis. b) Factory now has a full time doctor and part-time nurses. There are 2 small clinics on each end of factory with one bed each. Clinic expansion cannot be done under the existing facility. Factory committed to provide enough space for clinic in new facility that is under construction.	Inspection; interview	Pending	a) Completed (sufficient fire extinguishers provided and inspected regularly) b) full time doctor is employed but only 1 additional bed is added with the previous single bed (now total: 2 beds)	Visual observation and check documentation	Once the construction of the new building is completed, the factory will transfer the medical facility to a one story building near the gate that is presently used as resting area by the construction workers	Interview, inspection

FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Findings	Monitor's Findings	Documentation	Remediation			Company Verification Follow up			Detailed			Company Follow up			Detailed			Third-Party Verification			Company Verification Follow up			
						PC Remediation Plan	Target Completion Date	Company Follow up (2nd follow up visit done on September 26-27, 2005)	Documentation	Completed, Pending, On-going	Company Follow up (follow up visit done on September 26-27, 2005)	Documentation	Completed, Pending, On-going	Company Follow up (follow up visit done on January 24, 2006)	Documentation	Completed, Pending, On-going	External Verification (16-17 May 06)	Documentation	Company Follow up (August 28 & 29 2006)	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.	All cutter man were not wearing Mesh gloves	Visual inspection	a) Provide metal gloves for all cutters. b) Brief workers and supervisors on the importance and proper use of protective equipments and enforce consistent use of PPEs.	June 30, 2005	a) Cutters were provided with metal gloves. b) PPE training documentation was shown to auditors; nevertheless factory was instructed to include this as part of a regular annual training plan.	inspection, documents	Completed	a) Cutters were provided with metal gloves. b) PPE trainings were documented; nevertheless factory was instructed to include this as part of a regular annual training plan. Factory was also instructed to improve records of all trainings conducted to include actual subjects/discussion points as well as evaluation of training effectiveness.	inspection, documents	Pending	PPE Training is part of regular monthly trainings, however no formal schedule training plan was presented to auditors. Needs further verification	inspection, documents	Pending	a) Metal glove is provided to the cutters b) They are using the metal gloves properly	Visual observation	No new findings on this									
Chemical Management		All chemicals and hazardous substances should be properly labelled 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	No MSDS was present in the local language.	Visual inspection	a) Post copy of MSDS in local language at areas where chemicals are used or stored. b) Brief workers and supervisors on MSDS and c) provide training on the dangers and proper handling of chemicals.	June 30, 2005	a) Factory agreed to translate all MSDS (chemical suppliers do not have a local language version) of MSDS, this was confirmed by another factory, and will post local translations in areas of chemical storage and use. To be done by July 30, 2005. b) current supervisors briefed on volatile substances c) training to be included in Annual Training Plan	interview, documents	a) Pending b) Completed c) Pending	a) Factory claimed that chemical suppliers do not have MSDS in local language (as confirmed also by another factory). However, factory agreed to translate MSDS for all chemicals and will post local translations in areas of chemical storage and use. During the visit, factory had already the complete translation of MSDS for 4 chemicals. b) Current supervisors had been briefed on volatile substances c) Training to be included in Annual Training Plan, however factory was told to improve recording of training activities to include actual subjects discussed and training evaluation.	interview, documents review	Pending	a) MSDS is fully translated for most chemicals except for a few other chemicals c) Chemicals handling training was the same as before including recording of trainings (minutes only say that managers talked about safety considerations). No specific MSDS training included.	interview, documents review	Pending	a) Copy of MSDS is posted in local language b) Related workers and supervisor are informed about on MSDS c) No annual training plan found	Documents collected and worker interview with visual observation; Management interview	Factory was told that its training plan should be documented and improved to integrate all trainings on productivity, rules and regulations and compliance concerns	interview								
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.	In the iron section, temperature was 35 degree C. The chemical room, painting and drying section are not ventilated.	Visual inspection and thermometer reading	Provide proper ventilation at all areas.	June 30, 2005	No factory response to this item. Inspection indicated that ventilation was not problematic.	inspection	Completed	Ventilation is indeed a problem at many areas. Factory said that some operations were to be transferred to the new building and ventilation considerations will be made for the new facility.	inspection	On-going	Ventilation/air temperature was not a problem during the visit in most production areas. Some operations were moved to other buildings. All ventilation ducts were open. Painting section was also moved to the second floor of another building with adequate ventilation (except in the storage areas).	inspection	On-going	Iron and finishing section still need more ventilation as during the summer the temperature and humidity gets higher (temperature measured 34-36 degree C, during different time of 17 May/06)	Measured and observed during the audit	Temperature was tolerable during the visit	Other operations to be transferred to new building once completed	inspection							
Record Maintenance		All safety and accident reports shall be maintained for at least one year, or longer if required by law	No documentation on factory accidents, medical emergencies were found in the factory	Documentation review	a) Implement documentation program for all accidents and medical emergencies; documentation should include determination of the cause of accident and preventive actions to avoid repetition of same accident. b) Provide individual record for workers in the clinic and prepare regular report and annual summary of cases.	June 30, 2005	a) Factory produced documentation for all accidents and medical emergencies under the supervision of the doctor, however preventive action analysis is not effectively done. Factory agreed to change their system to include preventive action. b) It was noted that accident statistics were not regularly done and factory agreed to a monthly reporting. Individual record for workers were seen	documents (accidents and clinic records)	Completed except for the aspect of determining the causes and suggested preventive actions	a) Factory produced documentation for all accidents and medical emergencies under the supervision of the doctor, however preventive action analysis needed to be improved. b) It was noted that accident statistics were not regularly done and factory agreed to a monthly reporting. Clinic monthly reports indicate incidence of disease related to drinking water (validated with the result of the test on drinking water). Factory was advised to act on this and assess overall health. Individual record for workers were seen.	documents (accidents and clinic records)	Pending	Preventive action still not included in accident records, though monthly statistics were made available.	documents (accidents and clinic records)	Pending	a) Completed except determining the causes of the accident	Records review and interview the medical assistant and factory doctor	Preventive actions were noted in the accident records, however the level of analysis for most accidents noted were not adequate.	Document review								
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	Toilets are not clean & adequate. There is no water supply in the toilets. There is no safe water to drink. The bathrooms are not adequate according to local law.	Visual inspection, worker interview	a) Provide additional toilets and regular supply of water, to all toilets. Observe a regular schedule for cleaning and disinfection. b) Provide drinking water stations at all production floors, provide possibility test for water, with samples taken from every drinking station, at least every six months	June 30, 2005	a) Factory believes the number of toilets is sufficient. Areas inspected had adequate toilets for number of current occupants. It was noted that the toilet card system impacts on the effective use of available toilets so this was dealt with. b) Drinking water stations seen in some production areas	inspection	Completed, except for test of drinking water	a) Factory believes the number of toilets is sufficient. Areas inspected had adequate toilets for number of current occupants. b) Drinking water stations in production areas were found to be far from sources of contamination but the latest test result showed high coliform count. Factory was instructed to investigate this matter.	inspection; document review	Pending	Drinking water test provided to auditors showed that it passed inspection, which was conducted recently. No further inquiries were made as the cause of the change in coliform count. Needs further verification	inspection; document review	Pending	Water test	Visual observation and worker interview	Cleaning schedule seemed to be maintained in most areas. Toilets were found to be clean. Slippers were provided inside the toilets. Water test was available but from only one source	inspection								
Sanitation in Dormitories		All dormitories shall be kept secure, clean and have safety provisions (such as fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting etc.). Emergency evacuation drills should also be conducted at least annually	Minimum entitlement of health and hygiene is not ensured	Visual inspection	Observe a regular schedule for cleaning and disinfection.	June 30, 2005	There is a factory toilet cleaning schedule in areas visited.	inspection	Completed	There is a factory toilet cleaning schedule in areas visited.	inspection	Pending	Factory cleaning schedule needs to be improved as toilet areas visited were still odorous. Internal plumbing needs to be reviewed as waste is disposed not through public sewerage but in the "lake" outside the building.	inspection	Completed	Observed and checked the records											
F. Freedom of Association and Collective Bargaining																											
Employers will recognize and respect the right of employees to freedom of association and collective bargaining																											
Other		There is Workers' Welfare Committee to oversee the welfare of workers but no worker is the member of that committee. It is headed by Administrative Manager and all the members are selected from management.	Documentation review and interview	Include member-workers of at least one from each section. Member-workers should be chosen by the workers and shall serve for a specified period until replaced through another selection process	June 30, 2005	Factory has already included 2 worker representatives from the sewing section. However, factory must have other representatives from other departments as the different departments are located in different buildings.	Worker Welfare Committee meetings, attendance, personnel files	On-going	Factory initially included 2 worker representatives from the sewing section but upon further advise and as found during the visit, factory had included 23 worker representatives out of a total of 27 committee members, each with a 6-month term. However, very little briefing was given to these worker-members. Thus, they are not clear about their duties. Factory was instructed to define their duties and train workers in these.	Worker Welfare Committee meetings, attendance, personnel files; interview	On-going	Members of joint management-worker council were briefed on their duties. Needs further monitoring on the actual functioning of this council	Worker Welfare Committee meetings, attendance, personnel files; interview	On-going	Ineffective WWVC: a) No written guideline, policy b) No training of WWVC on their roles and responsibilities, limitation, reporting channel, reporting period etc. c) Workers do not know about the selected members of WWVC and the members are not also clear about their roles. d) only the members photograph are hanging on board even the photographs are not updated (2 pictures of the workers who have left the job are still hanging on the board as WWVC member)	WWC members interview; worker management interview	Welfare committee was expanded to cover more sections. All committee members were briefed on the harassment and abuse reporting mechanism and disciplinary procedures. Posters about the functions of the committee were installed in August and were visible at different working areas. Workers seemed to be more aware of the existence of the Welfare Committee.	Document review, interview of committee members and workers, inspection									
G. 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																											
Pay Statement		Employers will provide workers a pay statement each pay period which will show earned wages, regular and overtime pay, bonuses and all deductions	3 months payroll, overtime payment sheet and time cards are reviewed. But factory management was unable to produce individual's pay slip and overtime payment sheet	Documentation review	Provide copy of slip to workers and keep signed stub on file.	June 30, 2005	Copy of pay slip not yet provided. Workers sign the wage register and is verified with a "tax" stamp. It was suggested to provide extra copy of the wage register, cut it up and use as payroll. Factory reps said they would still bring this up with management since many workers cannot read and the pay slip would not serve the intended purpose.	documents, interview	Pending	Copy of pay slip already provided. Interviewed workers said that they would get the copy one day before payday. Workers sign the wage register and is verified with a "tax" stamp. Factory representatives said that the pay slip does not serve the intended purpose to workers who cannot read.	documents, interview	Completed	Pay slip is provided to workers but in the month of May/06 it was not distributed among the workers. Management informed that as the attendance bonus has started from this month April/06, they could not provide the pay slip in this month and will provide from next month onward.	documents, interview	Completed	Pay slip was provided to workers	Management and worker interview	Interview, document review									

Findings			Remediation			Company Verification Follow up			Status			Company Follow up			Status			Third-Party Verification			Company Verification Follow up		
FLA Code/Compliance Issue	Country/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	PC Remediation Plan	Target Completion Date	Company Follow up (2nd follow up visit done on September 26-27, 2005)	Documentation	Completed, Pending, On-going	Company Follow up (follow up visit done on September 26-27, 2005)	Documentation	Completed, Pending, On-going	Company Follow up (follow up visit done on January 24, 2006)	Documentation	Completed, Pending, On-going	External Verification (16-17 May 06)	Documentation	Company Follow up (August 28 & 29 2006)	Documentation				
Timely Payment	Monthly salary & overtime payments are to be paid together by 10th of each month.	All compensation shall be paid in a timely manner	Salary is paid not before 15th of the month.	Document review	a) Formulate guidelines regarding wages and benefits, wage deductions and the time for the payment of wages. Guidelines should ensure that: (1) wages and legal benefits, including overtime are in accordance with law; (2) computations are mathematically correct; (3) no deductions are made other than those specified or allowed by law and; (4) payment of wages and other earnings including overtime, is made not later than the time prescribed by law. b) Brief workers and other personnel involved in the implementation of the guidelines. c) Post on the bulletin boards these guidelines and a sample computation of how wages, overtime and legal benefits are paid.		Factory denied this issue, but agreed to include this in the Employee Handbook. First draft of Employee Handbook that will contain all policies will be submitted to PUJMA by September 30, 2005 for verification of contents prior to translation to local language. This will be managed by the Compliance staff and will be the basis for training		Pending	Factory management denied this issue. Interviewed workers said that they receive the wages before the 15th of each month. (Note: The question asked was not a direct question to be answered by "yes" or "no" but to be answered with the date that they received the last pay.)	Interview	On-going	Continued monitoring to be done in subsequent visits	Interview	On-going	a) Policy is formulated regarding wages and benefit and included in the hand book and distributed among the permanent workers (after probation period) b) Workers are not briefed on the policy But payment date is still after 10th of the month Excessive OT (after regular 2 hours OT) is not paid with the regular wages and payment for the extra OT sheet paid in the first week of the second month.	Records review and worker interview; management interview	Workers were given copy of the handbook which contained the policies The new electronic time keeping system which was installed in August 2006 will generate only one record of all working hours for which only one payroll will be prepared and to be paid not later than the 10th of each month	Interview, document review, inspection				
False Payroll Records		Employers will not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.	Time cards are filled by time keeping section on a daily section and not by the workers. Time card is used only for all type of workers. Supervisors and other staff need to sign in the attendance register.	visual inspection and interview	a) Provide Bundy clocks for recording workers' attendance. b) Issue instruction that workers should punch their time cards at the start and end of the working hours.		a) Factory remained uncertain as to the provision of Bundy clocks considering the illiteracy level in the factory. The case of false Bundy clock records in other factories came up (e.g. one staff punching the time card of another). The factory claimed it is unsure how they can implement the Bundy clock.		Pending	a) Factory committed to provide Bundy clocks in line with customer pressure. This is expected to be installed in the factory by November 2005 b) Factory committed to institute this after installation of Bundy clocks.		Pending	Factory still to install Bundy clocks in the facility.	Interview	Pending	Still the same practice is ongoing: workers don't have the control on the time card and time card does not reflect complete record of working hours. It is controlled by the time keeping section.	Visual observation and worker interview	Six electronic time keeping machines were installed in August 2006 and time card does not reflect complete record of working hours. Units for other areas will be installed by November. During the visit, however, the results were not yet as desired as there were still errors noted in the attendance reports that were submitted.	Interview, document review				
Record Maintenance		All legally required payroll documents, journals and reports will be available complete, accurate and up-to-date. (In the United States terms this would include W-4s, I-9s, green cards, 941s and supporting material)	Factory management informed that most of the workers records are kept at head office which is about 2 hours drive from factory. It was due to poor storage facility.		a) Keep payroll, attendance and related records at the factory site for at least one year and make available to monitors. b) Brief payroll and administrative staff on this policy.	June 30, 2005	Records are kept separately under the Compliance staff. The factory still expressed concern over storage issues and admitted that they would still keep a number of records in the Central Office for security purposes though they agreed that they will keep one year's worth of some records in the factory.	Interview, documents	On-going	Records are kept separately under the Compliance staff. The factory still expressed concern over storage issues and admitted that they would still keep a number of records in the Central Office for security purposes though they agreed that they will keep one year's worth of some records in the factory. With the completion of the new facility under construction, storage problems would be lessened.	Interview, documents	Pending	Factory records are still kept at site head office.	Interview, documents	Pending	a) One year records are kept in the factory	Papers found available and experienced during the audit	Records were made available to the auditors as needed	Interview, document review				
Other			Increment is very low. No promotion & increment policy is followed in the factory	Worker interview	a) Develop a performance evaluation system that can be used as guide when giving increases in rates or promotions. b) Brief management staff, supervisors and workers on the rating system.	June 30, 2005	Currently, the factory employs salary grades for workers but the performance evaluation system is still not fully in place (in process as part of the new guidelines to be released in September 2005). Factory still deliberating on the implementation of an incentive scheme for workers and supervisors based on failure of previous attempts.	Salary grade sheet, interview	Pending	Currently, the factory employs salary grades for workers but the performance evaluation system is not fully in place. During the visit, the factory had already developed a proposed rating system but more improvements were suggested for clarity and fairness. The rating system will be included in the Employee Handbook.	Interview, document review	On-going	Improved rating system is already included in the new factory rules and regulations, which have been distributed to workers through the handbook Monitoring to be done on actual implementation of this evaluation system	Interview, document review	On-going	a) Performance evaluation system is developed and included in the handbook But it is not followed / practiced by the factory and the increment of 2006 is not done according to the new policy; assessment is not done accordingly.	Documents review, personnel files and worker and management interview	Rating system not yet implemented The new HR Manager will oversee the implementation of policies. He developed a "Retention Program" that includes upgrading of wages and benefits to stop migration of workers. However, this and other major items in the program are still under implementation	Interview, document review				
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																							
Other			Actual overtime is not recorded in the time card. Night work also happens as per the workers. These two however could not be verified as no documents regarding excessive overtime were found so far.	Worker and Mid-level management interview	a) Properly document all working hours, whether regular or overtime and pay in accordance with legal requirements. b) Brief all workers and payroll & administrative staff on this.	June 30, 2005	Factory denied the FLA finding. Factory will still maintain current time recording system in the interim till management finalizes decision on providing Bundy clocks.	Time record, interview	Pending	Factory denied the FLA finding. Factory will still maintain current time recording system in the interim prior to installation of Bundy clocks.	Time record, interview	Pending	No evidence of night work seen during this visit. However, overtime work is conducted in the factory. There has been no change to the time recording system (Bundy clocks not yet installed). Hence the same overtime recording issues from before were present during this monitoring visit.	Time record, interview	Pending	Time card is not showing all the working hours (only the legal part is recorded); Double record keeping practiced and not presented to auditors to verify. Extra hours work was observed and production records found which are not reflected / maintained in the time card.	Visual observation and documents collected and worker interview	The new electronic time keeping system which was installed in August 2006 will generate only one record of all working hours for which only one payroll will be prepared and to be paid not later than the 10th of each month Factory already admitted the payment of extra overtime but details were not available.	Interview, document review				
10. Overtime Compensation																							
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.																							
Accurate Recording of OT Hours Worked		Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work	Night work is not counted as overtime and no payment is done.	Worker interview	a) Formulate guidelines regarding proper documentation and to ensure payment of all working hours. b) All working hours, whether regular or overtime should be properly documented and paid in accordance with legal requirements. c) Brief all employees on these guidelines	June 30, 2005	a) and c) Guidelines to be included in Employee Handbook and an information dissemination scheme be developed in consideration of the illiteracy of workers. First draft of Handbook to be submitted to PUJMA staff by September 30, 2005 for verification of content prior to translation to local language. Final Handbook should be ready for distribution by October 31, 2005. b) Working hours documentation is dependent on factory's finally deciding to provide Bundy clocks		Pending	Factory denied the FLA finding. Factory will still maintain current time recording system in the interim prior to installation of Bundy clocks.	Time record, interview	Pending	No evidence of night work (10 PM to 6 AM) seen during the visit.	Time record, interview	Pending	a) Guideline regarding proper documentation is formulated and included in the Handbook. b) But all working hours (OT hour) are not recorded accurately. Factory denied about any work of excessive OT. Production records were collected and shown to the however management and management did not provide any documents to review that at least the workers are paid for those excessive OT. Daily one hour OT (7 pm to 8 pm) is not recorded and not paid by the factory - general practice raised by all workers.	Documents collected and checked; Visual observation and worker interview	The new electronic time keeping system which was installed in August 2006 will generate only one record of all working hours for which only one payroll will be prepared and to be paid not later than the 10th of each month Factory already admitted the payment of extra overtime but details were not available. With the new time keeping system, the other set of payroll will be eliminated	Interview, document review				
Other	Monthly salary & overtime payments are to be paid together by 10th of each month. Actual overtime earned out by workers must be paid. Woman workers are not allowed to work in the factory beyond 2000 hrs.	The factory shall comply with applicable law for premium rates for overtime compensation	Overtime wages is paid separately not before 25th of the month. Workers are only paid for 2 hours overtime. No payment is done beyond 2 hours. During night work, no hourly payment is done. A lump sum money is paid for the meal only.	Document Review	a) Formulate guidelines regarding the proper documentation and to ensure payment of all working hours. b) All working hours, whether regular or overtime should be properly documented and paid in accordance with legal requirements. c) Brief all employees on these guidelines	June 30, 2005	a) and c) Guidelines to be included in Employee Handbook and an information dissemination scheme be developed in consideration of the illiteracy of workers. First draft of Handbook to be submitted to PUJMA staff by September 30, 2005 for verification of content prior to translation to local language. Final Handbook should be ready for distribution by October 31, 2005. b) Working hours documentation is dependent on factory's finally deciding to provide Bundy clocks	Time record, Payroll	Pending	a) and c) Guidelines are included in the Employee Handbook but has been distributed to all employees. Bundy clocks are still not installed in the facility.	Time record, Payroll	Pending	OT computation is included in the new handbook, which has been distributed to all employees. Bundy clocks are still not installed in the facility.	Time record, Payroll	Pending	a) Guideline regarding proper documentation is formulated and included in the handbook b) Working hour is not calculated accurately c) workers are not aware or briefed about the documentation and payment guideline	Documents collected and checked; Visual observation and worker interview	The new electronic time keeping system which was installed in August 2006 will generate only one record of all working hours for which only one payroll will be prepared and to be paid not later than the 10th of each month Factory already admitted the payment of extra overtime but details were not available. With the new time keeping system, the other set of payroll will be eliminated. Overtime computation, minimum wage, public holidays are posted on	Interview, document review, inspection				
Miscellaneous																							

Findings			Remediation		Company Verification Follow up		Status		Company Follow up		Status		Third-Party Verification		Company Verification Follow up			
FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	PC Remediation Plan	Target Completion Date	Company Follow up (2nd follow up visit done on September 26-27, 2005)	Documentation	Completed, Pending, Ongoing	Company Follow up (follow up visit done on September 26-27, 2005)	Documentation	Company Follow up (follow up visit done on January 24, 2006)	Documentation	Completed, Pending, Ongoing	External Verification (16 - 17) May 06	Documentation	Company Follow up (August 28 & 29 2006)	Documentation
Other	Internal Grievance Procedure		The factory does not have an effective grievance procedure. No grievance has been documented in the factory for past 2 years.	Visual inspection and management interview	a) Formulate rules on discipline together with a list of offenses and their respective penalties in graduated manner. Specify which offenses are punishable by termination. b) Include the procedures for investigating the offense charged in such a way that the erring worker is given due process and an opportunity to question the propriety of the penalty imposed. c) Brief all management staff and existing workers on this. d) Include this topic in briefing new workers.	June 30, 2005	a) and b) Compile all new guidelines in an employee handbook under the monitoring of factory Compliance staff. First draft of Handbook to be submitted to PJMM staff by September 30, 2005 for verification of content prior to translation to local language. Final Handbook should be ready for distribution by October 31, 2005. c) and d) Ensure that Compliance staff design a training program for old and new workers that includes all new guidelines.		Pending	a) and b) Grievance procedure is included in the revised employee handbook under the monitoring of factory Compliance staff. It generally follows the grievance process described in the local labor law, however factory was advised to include worker welfare representatives in the judgment process. c) and d) Factory compliance staff was instructed to design a training program for old and new workers that includes all new guidelines, including complete records and evaluation of training conducted.		New grievance procedure included in the orientation for new workers. Joint worker-management committee worker representatives were given an orientation on this procedure. Worker representatives were made responsible to provide additional orientation on this to workers on the floor. Further monitoring to be done on the actual functioning of the grievance machinery.	Interview, document review	On-going	a) & b) Rules on disciplinary system is formulated and included in the handbook which is distributed among the workers (to permanent workers after probation period). c) However rules on disciplinary system are not communicated to the staff and workers through training. Not functional Grievance system: suggestion box is kept in a open place, without pen and paper. No suggestion is found in the suggestion box and workers are not aware about the usefulness of the suggestion box. Factory Management informed that disciplinary system is only maintained for the staff and not on worker level.	Documents collected and staff and workers interview	Heads of units and supervisors were briefed on the disciplinary procedures. No update on disciplinary cases and grievance system	Interview, document review
Other	Record Maintenance		* No letter of confirmation is given to the workers. * Appointment letter was found in the personnel file without any sign from the management. * Increment letter was not found in one relevant personnel files. * No resignation letter was found in the personnel file. * No show cause letter, warning letter was found.	Document review.	a) Provide individual employment file for each worker where all documents pertaining to the worker's employment status, changes in position or rate, the use of benefits, disciplinary actions are kept on file. b) All of the mentioned documents must be signed by the responsible officer of the factory.	June 30, 2005	a) and b) Factory agreed to provide and store all documents in appropriate manner by July 3, 2005. Factory expressed concern over resignation letters of illiterate workers as these could still be construed by external auditors as prefabricated.		Pending	a) and b) Factory agreed to provide and store all documents in appropriate manner by July 3, 2005. Files checked during the visit were in conformity with this. Factory expressed concern over resignation letters of illiterate workers as these could still be construed by external auditors as prefabricated.		All personnel files reviewed were complete with contract, letter of confirmation, increment/adjustment sheets. No resignation letters were found in many resigned personnel. Termination letters were available for terminated workers. To be monitored in subsequent visits	document review	On-going	Appointment letter is signed by both parties. However no increment letter and promotion letter is maintained in the respective personnel files. Disciplinary system (show cause letter, warning letter, termination etc.) still not practiced for the workers. Service book is not issued for worker and copy of the service book is not kept with the worker.	Documents and personnel files	No update on this	
Other	Record Maintenance		Regarding leave, there are some discrepancies found in the personnel file and worker's interview. It could not be verified as the filing system is very poorly maintained.	Document review and Workers interview	The use by workers of the leaves and other benefits, whether legal or company provided, should be in accordance with legal requirements or company guidelines, properly documented and kept on file.	June 30, 2005	Filing system is under improvement under the current Compliance Staff and would be finalized by July 30, 2005		Pending	Filing system, including new forms, is undergoing improvement under the current Compliance Staff.		Filing system for leave use has been improved that more accurately indicates leaves availed. To be monitored in subsequent visits	Interview, document review	On-going	Filing system still need improvement - like leave benefit and increment review factory could not provide the related/required personnel file on the spot.	Experienced during documents review and observation	The system of tracking of earned leaves (together with pregnancy cases) started in June. Tracking record of leave use was seen in some employment files. No record of wage increment noted	Document review