

FLA Audit Profile	
Country	India
Factory name	02023291D
EM	T-Group Solutions Ltd
Date(s) in facility	August 10 - 11, 2005
PC(s)	Nordstrom, Inc., Eddie Bauer
Number of workers	163 (on rolls) + approx 70 (off rolls) = 233 approx
Product(s)	Sweaters
Production processes	Knitting, Cutting, Linking, Washing, Finishing, Packing

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings						Remediation			Updates (Cite Date of Follow up)		
			Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (un corroborated)	If not corroborated, explain why	Sources/ Documentation used for corroborating	Notable Features Implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Follow-up visit March 23-24, 2006 (T-Group contracted by Nordstrom)	Documentation	Company Follow up
1. Code Awareness														
Worker/management awareness of Code	The Factories Act, 1948	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.	1. Code Elements have not been communicated to the Management and Workers. The PCs (Nordstrom & Eddie Bauer) have only provided the COC posters and have advised the Management to post them. Management has also not communicated the code elements to workers. 2. Nordstrom Code of Conduct poster posted on the ground floor was partially blocked with cartons.	1. Policies on Harassment & Abuse and Non-Discrimination have been posted in the local language. However, these have not been formally communicated to the employees through any training programs. 2. Training Programs pertaining to Code Awareness, Labor Rights or Health & Safety have not been conducted in this factory. 3. None of the workers interviewed were aware of any code elements. Most of the Management was also not aware of the code elements.		Visual inspection & Interview with Management & workers		Ensure the management informs workers 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. Ensure PC Codes of Conduct are posted visibly in a prominent location and accessible to employees.		1. Hindi version of code elements have been made and same shall be provided to the management and workers including off- roll workers and new recruits. Training about the code elements shall be imparted by 20 Oct 05. Records shall be kept and maintained. 2. All cartons have been removed obstructing the access to Nordstrom Code of Conduct.	(March 23 and 24, 2006) Management is now aware of the code elements. Though management claims to have explained the code elements to workers most of those interviewed were not aware of the code elements.		After submitting remediation plan for the outstanding FLA audit, Nordstrom has regrettably ceased efforts due to termination of business relationships between factory and Nordstrom per production decisions. Due to termination of business relationships, company's leverage for implementing remediation has diminished completely. Nordstrom has provided factory with consultative information in order for factory to independently resolve findings. For further comment, please contact Nordstrom directly.	
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.	Though contact numbers of a representative of Nordstrom have been provided on the Code Poster, the reasons for providing this information have not been explained to the Management and Workers. Management interviewed, were not aware of the details of the contact person, as to who this person is and why he needs to be contacted. No contact details are available for Eddie Bauer.			Interview with Management & workers		Objective of the PCs 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. 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. Nordstrom will reiterate to the factory the purpose of the contact information on the Code posters.		Importance of elements of code of conduct of Nordstrom shall be provided to management and workers. Contact information of "Agent" shall also be provided to the entire staff for management and workers. Training shall be done by "Factory" and "Agent" in the week of 24 Oct 05.	(March 23 and 24, 2006) Management is now aware of the Code elements. Though management claims to have explained the code elements to workers most of those interviewed were not aware of the code elements.		Eddie Bauer's licensee had that sourced product from "factory" had its final last shipment from factory in August 2005. While company placed no future business for reasons unrelated to labor compliance, it continued to encourage improvements beyond final shipment date. The decision to terminate business made solely by the licensee and independent of Eddie Bauer. As it has now been a year since Eddie Bauer's licensee had business at factory, it is unable to exert necessary leverage for continued improvement.	
Other	Factories Act 1948 & Industrial Employment (Standing Orders) Act 1956		Minimum Wage Notification, Factories Act, Punjab Factories Rules, List of holidays & Standing Orders are posted in English and not in the local language.			Visual Inspection		Post all legally required notices and labor law information.		Hindi version of Minimum Wage Notification, Factories Act, Punjab Factories Rules and List of holidays has been displayed on the notice board and communicated to workers. Hindi version of standing order would be displayed and communicated to workers by 11/15/2005.	(March 23 and 24, 2006) Barring the Minimum Wages Act and Minimum Wage Notification the rest of the postings are now in Hindi / Punjabi. (Local Language).			
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	Factories Act 1948 & Industrial Employment (Standing Orders) Act 1956	Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision.	Employment records are not maintained for workers not on rolls.	1. Few workers stated that they had not received a copy of their appointment letter. 2. Appointment letters issued to workers do not provide details of benefits and deductions.		Interview with Management & workers		All workers should be provided with appointment letters, which should include details on wages, mandatory deductions and legal benefits.		1) Personnel files for all off-roll workers shall be maintained. This will include appointment letters, valid age proof documents as School Leaving Certificate if provided by worker or Verified by Dental Surgeon, Declaration Form including their photo identity. 2) Appointment letters for all workers and management shall be amended to include mandatory deductions such as PF, ESI etc and legal benefits such as Bonus, Gratuity, Leave etc and shall also be communicated to these workers through training. 3) Appointment letters for new recruitment and for the older employees, training is under process (Department wise), which shall be completed by 30 Oct 05.	(March 23 and 24, 2006). Still not maintained.			
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.														
Age Documentation	The Factories Act, 1948	Employers will maintain proof of age documentation for all workers, such as a birth certificate, which verifies date of birth.	No proof of age documents maintained for workers off the rolls.			Interview with management		Employers will maintain proof of age documentation for all workers, such as a birth certificate, government ID or legitimate dental evaluation and certificate, which verifies date of birth.		A list has been prepared for all off-roll workers who are without age proof documents. For this purpose, contract is under process with the Dental Surgeon BDS - Dental Surgeon to be on panel, who will visit the factory in the third week of Oct for worker's age verifications and all this expenses shall be met by the company. UPDATE: Dental Surgeon, BDS has visited the factory to ascertain the age of workers and he has examined all workers. Age proof certificates would be provided by doctor by 9th Nov 2005.	(March 23 and 24, 2006). Proof of age certification now provided.			
Age Verification		In those cases where proof of age documentation is not readily available, employers will take precautions to ensure that all workers are at least the minimum working age, including medical or religious records, or other means considered reliable in the local context.		1. While picture of worker is missing from few proof of age certificates issued by a Doctor, these are not attested in some to confirm that the certificate pertains to that particular worker. 2. Workers interviewed stated that they had not met the doctor who had issued an age certificate for these workers.		Review of workers' files & interview with workers		Employers will maintain proof of age documentation for all workers, such as a birth certificate, government ID or legitimate dental evaluation and certificate, which verifies date of birth.		A list has been prepared for all off-roll workers who are without age proof documents. For this purpose, contract is under process with Dental Surgeon BDS - Dental Surgeon to be on panel, who will visit factory in third week of Oct for worker's age verifications and all this expenses shall be met by company. UPDATE: Dental Surgeon, BDS has visited factory to ascertain age of workers and he has examined all workers. Age proof certificates would be provided by doctor by 9th Nov 2005.	(March 23 and 24, 2006). Proof of age certification now provided.			
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 or abuse.														
Sexual Harassment	Per Supreme Court Ruling		Factory does not have a "SEXUAL HARASSMENT COMMITTEE" as required by Law.			Interview with management		Factory to create and maintain a sexual harassment committee as required by law.		Sexual Harassment Committee has been constituted. There are total of 4 members, 2 members from workers and 2 from management under chairmanship of Mrs.***** with women workers as its members. This information has been communicated to all female and male employees. Meeting shall be held on 24 Oct 05 and minutes shall be distributed to all participants and maintained.	(March 23 and 24, 2006) The committee has been set up however, none of the committee members were available for interview.			
Training of Management in Disciplinary Practices		Employers will provide training to managers and supervisors in appropriate disciplinary practices	Employer does not provide training to managers and supervisors in appropriate disciplinary practices.			Interview with management		Factory will conduct a thorough review of disciplinary procedures to ensure they are compliant with local law and PC codes. Factory will provide training to managers and supervisors in appropriate disciplinary practices. Additionally, workers should be trained in disciplinary policy, practices and procedures including a grievance policy.		Briefing to all managers and supervisors already been started but comprehensive training shall be given by 25 Oct 05.				
Gender Sensitive Security		Security practices will be gender-appropriate and non-intrusive.	Factory does not have a female security guard for checking belongings of female workers.			Visual Inspection and Interview with workers & management		Factory will ensure that security practices are gender-appropriate and non-intrusive.		Female Security guard has been appointed since 01 Oct 05 onwards.	(March 23 and 24, 2006) Factory now has a female security guard.			
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.														
Fire Safety Health and Safety legal compliance	Punjab Factory rules 1952	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits.	No Objection Certificate from Fire Department and Pollution Control Board available.			Interview with Management.		The factory will possess all legally required permits.	10/30/2005	Application for obtaining NOC from fire department has already been filed. However there is no response so far from the fire department. NOC from Pollution Board shall be taken once the ETP is installed.	(March 23 and 24, 2006) Factory has received the NOC from fire department. Installation of ETP is in progress and factory expects to receive the consent from Pollution Control board within 30 days.			
Evacuation Procedure	Factories Act 1948 & Punjab Factory rules 1952	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. Fire Evacuation drills are conducted only once a year.			Visual Inspection		1) Fire-fighting drills shall be held at least once every period of 6 months for all persons working in the factory. Workers and staff must be trained in safe evacuation procedures.	10/30/2005	Fire drill shall be conducted by external agency *** by 20 Oct 05. Expenses shall be borne by the factory. Briefing and training shall also be provided for fire drill and evacuation procedures.	(March 23 and 24, 2006) Fire drills now being conducted once every three months.			
Evacuation Procedure	Factories Act 1948 & Punjab Factory rules 1952	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	2. Passage to Emergency staircase in knitting hall - 1 was blocked with cartons. 3. Pedestal fans on passages seen in many work areas. 4. Loose wires of pedestal fans and other machinery and equipment seen on floor and running across passages in most work areas. 5. Aisles in most work areas were blocked with bins, trolleys, stools, sweater panels and cartons. 6. Most storage areas disorganized with yarn, fabric, sweater panels and packaging material piled up or scattered on floor in a completely haphazard manner. 7. Well-defined aisles between properly organized stacks not in place in most storage areas. 8. Equipment not in use, cartons, yarn cones were lying in a completely disorganized manner in the hand-hats hall - 1.			Visual Inspection		2) All emergency pathways and stairs must be kept clear to ensure quick evacuation in the case of an emergency. 3, 4, and 5) All passages must be unobstructed at all times to create a safe evacuation path. 6 and 8) Remove trash and debris and maintain general cleanliness and organization throughout the factory every day. 7) Primary aisles must be marked with emergency lines leading to the exit doors. Secondary aisles must allow at least one person to comfortably walk down the aisle without obstruction.	9/30/2005	All the cartons and bags of yarn have already been removed for easy access to emergency exits. All loose wires have been converted into conduit pipes. Bins, trolleys, stools, sweater panels and cartons have been removed. Now Aisles are clear. Bins and cartons in hand-hat and sewing section have been removed and shifted. Passage is clear. Machine has been shifted from cutting section to another section and kept in a good order. Equipment not in use, cartons, yarn cones have been kept in an organized manner. This shall be monitored continuously by a designated person on a regular basis.	(March 23 and 24, 2006) Aisles maintained clear. Pedestal and exhaust fans are not in use as summer is yet to start. Storage areas are relatively empty now owing to lean season.			

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Evacuation Procedure	Factories Act 1948 & Punjab Factory rules 1952	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unlocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	9. Evacuation plans posted in some areas in English, do not match the floor layout and are not prominently displayed. Evacuation signs posted do not match those shown in plans. An evacuation plan in basement outside storage area blocked with cartons. No evacuation and reflect current emergency evacuation paths to nearest exits. 10. In some places evacuation signs point towards farther exit instead of closer exit. 11. Keep Clear Yellow Box not marked in front of most exits. 12. Aisle markings in many areas have faded and require re-painting. 13. Bags of yarn were found piled up near the emergency staircase in the basement.						9) Update all evacuation plans to indicate current floor plan, exits and fire-lighting equipment. The plans must be written in the local language. 10) Update evacuation plans to point towards nearest exit. 11) All exits must be properly marked. 12) Ensure all aisle markings clearly defined and reflect current emergency evacuation paths to nearest exits. 13) All passages must be unobstructed at all times to create a safe evacuation path.		9) Correct Evacuation plans have been posted and are translated into Hindi. 10) Correct Evacuation plans have been posted and also floor markings marked as per the nearest exits. 11 - 12) Aisle markings in these areas have been re-painted with yellow lines. 13) All the cartons and bags of yarn have already been removed for easy access to emergency exits.	(Dec 17, 2005) Pending Evacuation plans posted; however, not clear and visible as it is handwritten and even description is not clearly visible in evacuation plans. Pending Aisle markings still found to be faded like a stretching and linking sections. (March 23 and 24, 2006) Status is mostly unchanged; however, local language has now been included in some evacuation plans. Same status p10-12. Bags of yarn now maintained clear.			
Evacuation Procedure	Factories Act 1948 & Punjab Factory rules 1952	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unlocked 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. Most exit doors in work areas open inwards. 15. Some workers had blocked their access to passages with bins and cartons in hand-flat section and in sewing areas. Also, sewing machines next to wall and those arranged in batches of 3 have no access to passage for workers next to wall and in middle row respectively. 16. There is only 1 exit in Cutting Section, Accessories/Trim store on first floor and in hand Embroidery repair section. 17. Yarn stored all over floor in winding section in basement. 18. One machine operator in cutting section had no access to passage. This was blocked by another machine. 19. Emergency exit in computerized embroidery hall is not marked and was blocked with a carton. There is no emergency light in this area. 20. Emergency exit staircase at boiler area partially blocked with scrapped boiler. 21. Sampling section on ground floor is congested and disorganized. 22. Workers (who are off rolls) stated during interviews they have neither been explained about evacuation procedures nor participated in evacuation drills.					Visual Inspection	14) All exit doors must open outwards to ensure swift evacuation. Please change hinges to open outwards. Advise if there will be any safety concerns due to these changes. 15) All passages must be unobstructed at all times to create a safe evacuation path. 16) There must be at least 2 unlocked and accessible emergency exits on each floor and in each facility. 17 and 21) Remove trash and debris and maintain general cleanliness and organization throughout factory every day. 18 and 20) All passages must be unobstructed at all times to create a safe evacuation path. 19) Exit signs must be marked and visible up to 100 feet (30.5 meters). All emergency exit routes must be accessible and have enough lighting to allow for a fast and easy evacuation. 20) Ensure unobstructed access to emergency exits. 22) Train workers in evacuation procedures.	14) Since due to structural problems, it is not possible to keep exit door open outwards, but as precautionary measure, door would be fixed with hooks to keep these open at all times. 15) Bins and cartons in hand-flat and sewing section removed and shifted. Passage is clear. 16) After consultation with architect, option for creating second exit would be explored and implemented by 30 Nov 2005. 17) Yarn has been already kept in an organized. Maintenance responsibility would be of Sampling manager. 18) Emergency exit marked and emergency light provided. 20) Scrapped boiler removed and shifted to another place in good order with proper marking. Ensure all hazards to health and safety removed from factory. 22) Fire drill shall be conducted by external agency. ** by 20 Oct 05. Expenses shall be borne by factory. Briefing and training shall also be provided for fire drill and evacuation procedures.	(March 23 and 24, 2006) Exit door still open inwards however, these have been chained to wall in an open position. 15. Now maintained mostly clear. 16. Second exit provided in cutting section and in hand embroidery repair section. 17. Now maintained clear. 18. These machines presently not in use. 19. Same status. 20. Now maintained clear. 21. Has been decongested and is now better organized. 22. Same status.				
Safety Equipment	Factories Act 1948 & Punjab Factory rules 1952	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. Most first aid boxes inadequately stocked. Some had only cotton wool. There is no system in place to replenish stocks. Minor injury logs not maintained. 2. Fire extinguisher outside sample yarn store, 1 in hand flat hall - II and 2 on main passage on ground floor completely blocked with cartons, packaging materials and equipment respectively. Blocked fire extinguishers also seen in Finishing Hall - I and in pressing area on first floor. 3. Fire alarm switch installed on wall near main passage in basement damaged and completely taped with cello tape. 4. There are no fire extinguishers installed in main yarn store. 5. No fire extinguishers are installed in generator shed and at Trims/Accessories store on first floor.					Visual Inspection	1) There should be at least 1 first aid kit (well stocked) per floor and per 100 workers. Contents must include: adhesive bandages, latex gloves, burn treatment, medical adhesive tape, scissors, tweezers, rubbing alcohol, eyewash. Records to be kept for all injuries and accidents. 2) Fire extinguishers must be clear of obstruction within a 3m foot (1st meter) radius. 3) Fire alarms must be maintained and working order at all times. 4 and 5) There must be at least 1 fire extinguisher per every 25 employees and evenly distributed throughout factory. All rooms with combustible materials must have fire equipment.	1) First aid boxes have been fully stocked. Minor injury log maintained since 01 Oct 2005. 2) All fire extinguishers now free from all obstructions in all sections. There is no blockage. 3) Damaged fire alarm has been repaired, also tested for proper working. 4 and 5) Fire extinguishers have been installed in the main yarn store, trim accessories store and chemical store.	(March 23 and 24, 2006) 1. Better stocked now, however need to provide eye wash caps and lotion. Minor injury logs still not maintained. 2. These are now maintained clear; however, a fire extinguisher was blocked with a bin in the Hand-Flats knitting hall - II, and one blocked with a dust bin in stitching section in basement while another blocked with a bin in main passage in basement. Pts 3 to 5 verified as complete.				
PPE	Factories Act 1948 & Punjab Factory rules 1952	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. No earplugs provided to operators in computerized embroidery section. No ear muffs available for generator operator in generator shed. 2. A rotary, high-speed saw for chopping wood logs in boiler area for boiler has no protective device. No PPE available for worker who operates this equipment. 3. Operators on overlook machines do not have masks to protect them from breathing in floating fabric dust particles.					Visual Inspection	1 and 3) 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. 2) Equipment must have appropriate safety guards attached and operational at all times.	1 and 3) PPE has been provided to all concerned workers and also training has been imparted to these workers on its use. This would be monitored by the floor managers and crosschecked by me. 2) Protective device has been provided.	(March 23 and 24, 2006) Earplugs now provided in embroidery section; however, operators were not using them. Not seen in power generator area. Rotary saw was not being used during audit; a still does not have a protective cover.				
Chemical Management	Factories Act 1948 & Punjab Factory rules 1952	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	1. There is no proper storage for containers of machine oil, cleaning chemicals like acetone and high-speed diesel barrels. Containers of machine oil seen in production areas, cleaning chemicals lying on passage outside trim and accessories stock room on first floor, while barrels of diesel seen lying outside in open near generator shed exposed to rain and sunlight. 2. Chemical store on first floor does not have a fire extinguisher and No Smoking sign installed.					Visual Inspection	1) All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. MSDS sheet be posted near chemical use and storage areas in workers' language. Workers should receive training, appropriate to their job responsibilities, in safe use of chemicals and other hazardous substances. 2) Post a No Smoking sign in the chemical storage area and all other appropriate areas.	1) All containers have been kept in their respective areas with proper identification and markings. 2) "No Smoking" warning has been marked and displayed in the chemical storage area.	(March 23 and 24, 2006) 1. Partly addressed, however barrels of diesel were still seen lying outside in the open near the generator shed exposed to rain and sunlight. 2. These have been provided.				
Ventilation/Electrical/facility maintenance	Factories Act 1948 & Punjab Factory rules 1952	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. Pedestal fans connected to mains without plug with matchsticks inserted in plug sockets to hold wires in place seen in hand-flats knitting halls. 2. Emergency lights not installed on many exits, evacuation routes and staircase landings. Some tube lights installed not working. There are no high-beam type emergency lights with battery back-up installed anywhere in factory. 3. Lighting levels range from 150 to 200 lux in hand-flats and sewing machines at needle point. Lighting in linking section was 300 lux. 4. In panel checking section in basement sweater panels piled up close to a live tube-light. 5. Desert Cooler without protective rear cover installed on aisle outside office in basement. Another one without rear protective cover installed in pressing area on first floor. Some workers lunch boxes lying inside one of the coolers. High speed exhaust fans in these coolers running without protective covers, could cause accidents.					Visual Inspection	1) Electrical cords should be in good, working condition and not spliced, frayed, exposed or otherwise manipulated. They should only be used for their intended use. Electrical services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in facility. 2) All emergency exit routes must have enough lighting to allow for easy and fast exits. 3) All workstations must have adequate lighting. All lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in facility. 4) Remove all products and debris from potential fire hazards. 5) Equipment must have appropriate safety guards attached and operational at all times.	1) All pedestal fans without plugs provided with plugs and in future, it will be ensured that no electricity-run machine connected to plug sockets without plugs. 2) All non-working emergency lights replaced and emergency light installed at staircase. High-beam emergency lights would be installed in factory by 15 Nov 2005. 3) More tube lights shall be installed to ensure adequate lights available with enough lux for workers. Since it requires lot of electric installations in factory premises, so this work will be completed by 11/25/2005. 4) Floor supervisors instructed to monitor such act. 5) Coolers properly covered. Lunch boxes removed and workers told not to keep their lunch boxes inside coolers. Protective covers provided. It shall be ensured that these kinds of HSB do not occur in future by constant monitoring.	(March 23 and 24, 2006) 1. Pedestal fans are not in use. 2. High-beam emergency lights with battery back up have been installed on main passages, yet to be installed on many exits and some staircase landings. 3. Lighting in hand-flats enhanced and ranged from 400 to 700 lux. Lighting at needle point still poor, between 160 to 220 lux and in linking section ranged between 300 to 350 lux. 4. Complete. 5. Desert coolers not in use presently.				
Ventilation/Electrical/facility maintenance	Factories Act 1948 & Punjab Factory rules 1952	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	6. A needle with a thread lying on floor in hand flats hall - I. 7. A bird (Indian cigarette like chowli) still seen lying on floor in hand flat hall - I. 8. Spit stains of betel and tobacco seen on walls and corners in production halls in many places. 9. Housekeeping standards extremely poor in most areas. 10. Cobwebs and heavy dirt noticed in work areas on electric cables, fans, ceiling, steam pipelines, walls, fire extinguishers, laundry and glass panels. 11. Pressing iron amongst main of loose wires seen lying on floor in sewing hall. 12. Tube light installed vertically on post at low height tied with wires on 1 end and with cello tape on other, in main yarn store. 13. Water seepage seen on one wall in cutting section in basement. 14. Termite deposits seen on one wall in linking section.					Visual Inspection	6) - 11) Remove trash and debris and maintain general cleanliness and organization throughout the factory everyday. 12) Electrical cords should be in good, working condition and not spliced, frayed, exposed or otherwise manipulated. They should only be used for their intended use. Electrical services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility. 13) Repair leak to prevent injuries, damage to the facilities and products. 14) Investigate possible termite infestation. If needed, take appropriate action to ensure pests are exterminated and workers and staff are not exposed to hazardous chemicals in the process. Repair any structural damage caused by infestation. Maintain a pest-free environment.	6) to 11) The floor supervisor has been instructed to monitor such things more closely. Use of smoking/betel and tobacco is now strictly controlled in the factory through training process provided by security guards. Sweepers and fellow workers have been instructed to bring this into management notice if somebody is found to be violating. Pressing iron has been removed and kept in a good order. It would be ensured that this kind of health & safety hazards should not occur in future. All the pressman have been instructed to keep the code of conduct and also monitored by me. 12) Tube light has been removed and it would be ensured that electric lights & goods in the factory are handled & mounted properly and would be monitored closely by floor supervisor and me. 13) Cutting section has been properly repaired to avoid water seepage. 14) Termite deposits have been removed with proper treatment.	(March 23 and 24, 2006) 6. Complete. 7. Still seen in the same hall on the floor and on the staircase, where burnt matches were also noticed. 8. Still seen. 9. Much improved. 10. Maintained clear. 11. Maintained clear. 12. Complete. 13. Has been repaired but will take a few months to dry. 14. Complete.				
Ventilation/Electrical/facility maintenance	Factories Act 1948 & Punjab Factory rules 1952	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	15. Rotary saw motor connected to mains without plug. 16. Taped joints seen on cable of pedestal fans in some areas and on cable at electric switchgear in laundry. 17. Floor partly damaged near drainage area in laundry, causing water to stagnate. 18. Temperature in most work areas ranged from 90 - 94°F. 19. A worker's underwear seen drying on cable of electric switchgear in laundry.					Visual Inspection	15, 16 and 19) Electrical cords should be in good, working condition and not spliced, frayed, exposed or otherwise manipulated. They should only be used for their intended use. Electrical services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility. 17) Repair floor to ensure proper drainage. Do not allow water to pool and stagnate. 18) The factory must be adequately heated/cooled to provide a comfortable temperature for the local environment.	15) Rotary saw connecting to main with proper plug. 16) All taped joints removed from cables of pedestal fans and from cable at electric switchgear in laundry. This is being watched more closely and strictly by floor supervisors. 17) Floor has been repaired. 18) More exhaust fans shall be provided for proper ventilation by 30 Oct 05.	(March 23 and 24, 2006) 15. Complete. 16. Complete. 17. No change in status. 18. Temperatures were below 90°F. 19. The cable is now not being used for drying any kind of clothing.				
Machinery Maintenance	Factories Act 1948 & Punjab Factory rules 1952	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	1. Some sewing machines do not have pedal mats. 2. Needle guards missing from some sewing machines while some had been tampered by operators rendering them ineffective. 3. The exhaust pipes of power generating sets not insulated and could cause burn injuries.					Visual Inspection	1) Install rubber pedal mats on all sewing machines. 2) Sewing machines must be equipped with needle guards. Train employees on importance of safety guards and factory policy regarding guards. 3) Insulate exhaust pipes of generators to prevent injury.	1) Pedal mats provided on all sewing machines. 2) Needle guards provided in all stitching machines and would be monitored closely by floor supervisors. 3) Exhaust pipes of power generating sets have been insulated.	(March 23 and 24, 2006) 1. Pedal mats have been installed. 2. Same status. 3. Complete.				
Sanitation in Facilities	Factories Act 1948 & Punjab Factory rules 1952	All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	1. Some concrete steps on staircase damaged and require repairs. 2. No soap and hand dryer available in germs toilet blocks, while there is no hand dryer in ladies toilet block on ground floor. Exhaust fans not installed in toilet blocks.					Visual Inspection	1) Insure all walkways and stairs in factory in good repair and do not pose a safety risk. 2) Basic supplies such as toilet paper, antibacterial soap, and towels must be provided at all times. Toilet area must be well-lighted and have adequate ventilation.	1) Damaged concrete steps have been repaired. 2) Soaps have been provided. Hand dryers shall be provided by 11 Nov 2005. Exhaust fans have been installed in toilet blocks.	(March 23 and 24, 2006) 1. Repair work in progress. 2. Hand dryers and exhaust fans have been installed; however, soap is still not available at hand wash areas in the toilets.				
Other	Factories Act 1948 & Punjab Factory rules 1952		1. Factory has not provided a crèche as required by law. 2. Factory does not have an Effluent Treatment Plant for treating waste from laundry before discharging into Municipal sewer.	Some standing hand-flat operators seen working barefoot. Some standing workers in cutting section also working barefoot.				Visual Inspection	1) According to section 48 of the Factories Act 1948, (1) In every factory wherein more than 30 women workers are ordinarily employed there shall be provided and maintained a suitable room or rooms for use of children under age of 6 years of such women. (2) Such rooms shall provide adequate accommodation, shall be adequately lighted and ventilated, shall be maintained in a clean and sanitary condition and shall be under charge of women trained in care of children and infants. 2) Factory to comply with legal requirements for wastewater discharge. Wastewater should be tested to meet legal safety standards prior to discharge. 3) While being respectful of cultural traditions and economic conditions, it is recommended that all workers wear shoes to protect their feet. The factory must provide protective footwear to workers in washing areas and other areas where job functions pose a risk to workers' feet.	1) As per local law, crèche to be provided if number of female workers is 30 in factory. However, as of now, there are only 28 female workers. Since number of female workers is less than 30, no crèche is provided. Please advise. 2) We shall install an effluent treatment plant (ETP) for treating waste generated from laundry before discharging into the Municipal sewer. ETP shall be installed by April 2006. Progress report shall be sent accordingly.	(March 23 and 24, 2006) 1. Still pending. 2. Under installation. Expected to be commissioned by mid April 2006.				
7. Freedom of Association and Collective Bargaining															
Employers will recognize and respect the right of employees to freedom of association and collective bargaining															
Other	Factories Act 1948 & Punjab Factory rules 1952	Workers in this committee are nominated by the Management.	1. Workers are not aware of the existence of the Workers-Management Committee. 2. This committee exists on paper only and is not actively involved in addressing workers issues. Per management, committee was set up only to fulfill the buyers' requirement.					Interview with Workers & Management	Workers must be educated on their rights to Freedom of Association. Factory to develop a workers' committee that fairly represents workers. 1) Committee workers will be elected by workers. 2) Committee will develop a mission statement, charter and election schedule. 3) Committee will address workers' concerns and work to improve conditions in the factory. 4) The Committee meetings will be held on a regular basis and be documented.	Workers' committee has been formulated. In this committee, there are total 4 workers and 4 management representatives. Meeting shall be held on 25 Oct 05 in the factory premises to discuss to solve workers grievances. Minutes arising from meeting shall be recorded, kept and made available. Copy of minutes shall be distributed to all the participants.	(March 23 and 24, 2006) No change in status.				
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															

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings					Remediation				Updates (Cite Date of Follow up)		
			Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (uncorroborated)	If not corroborated, explain why	Sources/ Documentation used for corroborating	Notable Features Implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Follow-up visit March 23-24, 2006 (T-Group contracted by Nordstrom))	Documentation	Company Follow up
Minimum Wage	The Minimum Wages Act, 1948; Payment of Wages Act 1936; The Employee State Insurance Act, 1948; Employee Provident Fund & MP Act, 1952; The Factories Act, 1948	Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher.	1. Few workers being paid wages of unskilled worker though they were doing semi-skilled operations. Nature of job being done by few workers as stated during interviews, is of semi-skilled/skilled category. However, payroll records reflect the nature of job as unskilled and these workers being paid unskilled wages. 2. Per review of manual records maintained by Security Guards for workers not on rolls, wage rate paid to them for regular and overtime hours is approx Rs.6.00 per hour. This is about 50% below applicable legal minimum wage with no premium for overtime hours as required by law. No mandated benefits are provided to these workers. This was also confirmed by workers during interviews.			Interview with management & workers; review of records		1) Factory to conduct a thorough and accurate assessment of all workers responsibilities and ensure they are correctly paid for their skill type. 2) Accurate records should be maintained for all workers. Workers shall be paid for all regular and overtime hours worked in accordance with local laws, and shall receive their legally mandated benefits.		1) Workers categorized as per their skill and job performed since 01 Oct 05. Salary shall be paid to these workers as per their category in the following month. 2) All off-roll workers have been taken into payroll and shall be paid overtime wages as per law, i.e. twice regular wages.	(March 23 and 24, 2006) 1. No Change. Workers on semi-skilled jobs still being paid wages of unskilled category. E.g. Workers doing embroidery being paid Rs. 2400/- instead of being paid at least wage as per semi-skilled category "A," which is Rs. 2471.25/- 2. No change in status.			
Wage Benefits Awareness	The Employee State Insurance Act, 1948; Employee Provident Fund & MP Act, 1952; The Factories Act, 1948	Employers will communicate orally and in writing to all employees in language of worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law.		Most workers on company's rolls, when interviewed were not aware of the calculation for deductions towards Provident Fund, Employee State Insurance and Overtime compensation.		Interview with workers		Factory shall provide training to all workers on the deductions for Provident Fund, Employee State Insurance, and Overtime Compensation.		Training regarding calculation related to deduction towards PF and ESI has been provided to all workers including off roll workers.	(March 23 and 24, 2006) These workers are still not aware of the calculation of mandated benefits.			
Wage and Benefits Posting	The Employee State Insurance Act, 1948	All notices that are legally required to be posted in the factory work areas will be posted. All legally required documents, such as copies of legal code or law, will be kept at the factory and available for inspection	1. Company's policy posted in work areas states that ESI deduction is mandated for those whose gross earnings are up to Rs.6500. This is incorrect. Legally mandated amount for this is Rs.7500. 2. In same policy, amount of deduction from worker for ESI is indicated as 1.70% of gross earnings while legally mandated figure is 1.75%.			Visual Inspection		1) All notices that are legally required to be posted in factory work areas will be posted with current and accurate information. 2) All legally required documents, such as copies of legal code or law, will be kept at factory and available for inspection. 3) Factory to provide training to all workers and staff of ESI and EPP legal requirements and deductions.		ESI deduction has been revised to Rs. 7500 from Rs. 6500 and displayed properly. Also the deduction has been revised to 1.75% from 1.70% and also displayed at the notice board.	(March 23 and 24, 2006) Complete			
Payroll Reporting	The Factories Act, 1948	Accurate and reliable payroll reporting, including pay stubs will be provided	1. Wage slips are in English and not in the local language. 2. Details of overtime hours, rate per hour and compensation paid is not maintained along with payroll which is computerized. These details maintained manually in a separate register and only total compensation is written on payroll. 3. Factory could not produce any pay records for workers not on rolls.	Few of the workers who are off-rolls stated during interviews that though they are made to sign registers reflecting a particular amount as their earnings, actually they are paid Rs. 50 - Rs.50 less. They stated they were told that this difference in amount was due to deductions for Provident Fund. But, when workers insisted they were not informed of any deductions, amounts were refunded. E.g. As per time records 1 worker worked for 264 hours in July 05. At Rs. 6 per hour, worker should have been paid Rs. 1584. However, worker stated that 10th August 2005, Rs. 660 paid after deducting an advance of Rs. 800. On complaining that Rs. 124 paid less, cashier and person in charge of marking attendance turned worker away saying, "You have not worked extra and you have been paid for all hours worked". Fearing loss of job, worker walked away with folded palms. At these workers felt that difference of amounts being paid to them is being distributed amongst staff in accounts department.	Interview with workers	Due to non-availability of records, issue identified under risks could not be corroborated	Review of records & interview with management & workers		Wage slips must be written in the workers' local language and include all hours worked and mandated to reflect total regular hours, total overtime hours, net pay, gross pay, and proper deductions. 3) Wage, hour, age, disciplinary and all other applicable records must be maintained for all workers. Wages slips shall be provided to these workers.	1) Wage slips shall be translated into Hindi by 30 Oct 05. Wage slips shall be amended to include overtime hours and the compensation paid by 30 Oct 2005. 2) Software for payroll shall be amended by 30 Oct 2005 so that payroll will show the details of overtime hours worked and compensation paid. 3) All off-roll workers have been taken into payroll from 01 Oct 2005. Records are available and maintained.	(March 23 and 24, 2006) 1. Complete. 2. Details of overtime hours worked and compensation have been included from Dec 05; however, overtime hours being shown on payroll records are incorrect. 3. Same status.			
Pay statement	Factories Act 1948	Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions.	1. Wage slips do not provide details of overtime hours worked and compensation paid. 2. No wage slips are provided to workers who are not on the company's rolls.			Review of records & interview with management & workers		See above. Wage slips must be provided to all workers.			(March 23 and 24, 2006) Complete.			
Time-recording system	Factories Act 1948	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. Though Management claim they work only 1 shift, documents collected from production floor had entries of work being done on Night shifts from April 05. There are no time records maintained for workers working on night shifts. 2. Management stated they do not work on rest days. However, documents collected from production floor and manual time records maintained by Security Guards had entries of Factory working on most rest days in February, March, April, May, June, July and in August 05. 3. Time records reflect overtime up to 2 hours per day, however manual records maintained by security guards, had entries of factory working beyond 2 hours of overtime on numerous occasions up to 2am in April, May, June, July 05.	1. Manual time records maintained by Security Guards are not signed by workers who are not on rolls. 2. Manual time record maintained by the Security Guard for workers off the rolls reflects entry time for all workers as 8am everyday.	Interview with management & review of records		1) All days and hours of workers must be accurately documented and shared with auditors upon request. 2) Workers must be provided 1 day off in 7. 3) Working hours must be limited to the local legal limits or PC guidelines, whichever is more strict. Factory to develop a plan to progressively reduce working hours by 12/30/2005.		1) Manual timing entries of all off-roll workers stopped since 01 Oct 05 and provided with Electronic Swipe Cards since 01 Oct 05 and adequately been trained in their usage. All these workers using their swipe cards at time of entering and leaving since 01 Oct 05. Records available and maintained. 2) It would be ensured that all workers, including off-roll, workers shall be provided with at least 1 weekly day off. This is very closely monitored by HR department. 3) Since 11 Aug 2005, running of night shift stopped and only 1 shift running from 09:00 to 18:00 with 1 hour lunch break and 2 tea breaks of 15 minutes each. Records available. However, in case night shift required to meet urgent production delivery schedules, then time records shall be maintained through swipe card system, including payroll for all workers working in night shift. It shall be ensured that all workers should not work beyond working hours as stipulated by local law. Swipe card system is in place and would be monitored more closely by HR Department.	(March 23 and 24, 2006) 1. As per management, currently factory is operating only on 1 shift due to low season. However, some workers interviewed stated embroidery is running on 2 shifts. No records of second shift were available. 2. Documents collected from security guards' cabin had entries of work having been done on rest days. 3. Manual time records picked up from security guards' cabin had numerous entries not reflected in electronic time records which appeared to be 'doctored.'				
Time-recording system	Factories Act 1948	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	Workers who are off-rolls stated during interviews that on 10 th August 05, they were all asked to leave factory at 10am since auditors had arrived. They stated that each time factory has an audit, they are asked to leave. These workers instructed to wait until 2pm outside factory and on confirmation that auditors had left, they would be called back. So most workers waited until 2pm and then went back home on being told auditors still in factory. 3 workers returned at 4pm and worked until 8pm. Manual time records had entries of all these workers entering factory at 9am. No out time recorded. Workers stated that under such circumstances they do not get their wage for that day.	Interview with workers on second day of the audit. These workers were sent out on the first day of the audit.	Workers requested that this matter not be brought to the notice of the management for fear of losing their job.	Interview with Management & workers		Provide complete access to monitoring of compliance to auditors. Discontinue the practice of hiding workers from auditors.		(March 23 and 24, 2006) Same practice is still being followed. As soon as auditors arrived, these workers were made to run out of factory. However, all these workers stopped at exit gates by auditors and asked to return to work. The management blatantly denied instructing these workers to leave. Most of these workers interviewed stated this was standard practice. Whenever any buyer visits factory, they are asked to leave. They mentioned that on 4th March 06, they were asked not to report for work as factory was expecting buyers. These workers were marked absent on that day.				
Record Maintenance	The Factories Act, 1948	All compensation records will be maintained accurately and should be acknowledged by the employee as accurate.	Factory could not produce any pay records for workers not on rolls.	Interview with workers		Interview with Management (issue of non-compliance)		Pay records should be maintained for all workers. All deductions and advance payments will be accurately documented to include employee name, date and amount of wage deducted or advanced. Accurate amount advanced will be noted on advance register at the time advance is taken. Workers will initial advance register when advance is received. These documents will be made available to auditors at request. The deductions and advance wages will be documented on all wage slips.			(March 23 and 24, 2006) Same status.			
Legal benefits	The Employee State Insurance Act, 1948; Employee Provident Fund & MP Act, 1952; The Factories Act, 1948; Payment of bonus Act, 1956	Employers will provide all legally mandated benefits to all eligible workers.	No mandated benefits are provided to workers who are not on rolls.			Interview with Management & workers		Provide equal benefits to all workers as required by law.		All legal benefits would be displayed at notice board for worker's reference. We are in process of amending company policy. From 01 Oct 2005 onwards, all off-roll workers have been taken into payroll and these workers shall be provided all legal benefits as per law. These legal benefits shall be mentioned in their appointment letters also.	(March 23 and 24, 2006) Pending.			
Legal benefits		Employers will provide all legally mandated benefits to all eligible workers	All workers (off rolls) interviewed were scared of losing their jobs any day. They said that they found it very difficult to manage with just Rs. 1250 to Rs. 1700 a month. They get no rest and are left with no other option but to try and work maximum number of hours possible to earn more. They don't get any benefits that the other workers who are on company rolls are provided.	Workers Interview. .	They also stated that if they approached the management on this issue they could lose their job.			According to monitor, this finding was "not discussed with the Management at the request of the workers who feared that they might lose their jobs if the management got to know." Therefore, PC's have not raised this specific finding with factory management. However, issues raised by this finding addressed in PC remediation requests that factory complies with its legal requirements in areas of wages, benefits, and working hours.			(March 23 and 24, 2006) The problem is still unresolved.			
Legal benefits		Employers will provide all legally mandated benefits to all eligible workers.	Workers who are off rolls stated that if they report 5 minutes late for work, they are turned back. In case they are sick, they have to come to factory and inform, and can then go back home. Few workers complained that at times they could not report for work as their child fell sick. Next day these workers were warned that in future, they would lose their jobs in case they failed to inform.	Interview with workers	Workers requested not to disclose the matter to management for fear of losing their job.			According to monitor, this finding was "not discussed with the Management at the request of the workers who feared that they might lose their jobs if the management got to know." Therefore, PC's have not raised this specific finding with factory management. However, issues raised by this finding are addressed in PC remediation requests that factory provide off-roll workers the same benefits as workers who are on the company rolls.			(March 23 and 24, 2006) The workers had no complaints now on this issue.			
Legal Compliance for holiday/leave	The Factories Act, 1948	Workers will be paid for holidays and leave as required by law.	These benefits are not extended to workers who are not on rolls.	Interview with workers				As above.			(March 23 and 24, 2006) Same practice continues.			
Timely Payment	Payment of Wages Act, 1936	All compensation shall be paid in a timely manner.	Workers off rolls paid their wages on 10th day of every month. By law, all payments are to be made within 7th day of month.			Interview with management & workers; review of records		Wages must be paid according to local law.		We shall ensure that every worker gets their payment by the 7th, starting from next payment month.	(March 23 and 24, 2006) Same practice continues.			
Timely Payment		All compensation shall be paid in a timely manner.	During interviews, 1 worker stated his child was very unwell and on 9 th August 05, he requested his salary for July be paid to enable him to meet medical expenses of his child. He was, however, turned away stating that he should arrange for money from other sources and would be paid his salary on 10 th . However, on 10 th , he was not paid his salary and was told that his name was not on records and he was not working in the factory. Worker insisted and requested cashier check his advance payment against salary record, since worker was given an advance, also. He was asked to wait and at end of day, worker was not paid his salary. He was asked to come back next day (second day of audit). Worker had to borrow Rs. 50 from coworker to buy medicine for his child.	Interview with worker	Sensitive issue, worker requested not to discuss with management.			According to monitor, this finding was "not discussed with the Management at the request of the workers who feared that they might lose their jobs if the management got to know." Therefore, PC's have not raised this specific finding with factory management. However, issues raised by this finding addressed in PC remediation requests that factory maintain accurate and complete records for all workers, provide pay slips to all workers documenting hours worked and wages received, and compensate workers for all hours worked.			(March 23 and 24, 2006) This worker received his compensation for work 2 days after the FLA audit in August 2005.			
False Payroll Records	The Employee State Insurance Act, 1948; Employee Provident Fund & MP Act, 1952; The Factories Act, 1948	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.	All hand-list workers work on a piece rate system. Some, however, are shown on record at an enhanced monthly salary of Rs. 7700 to avoid subscription to legal benefits of E.P.F & E.S.I. (EPP not applicable if basic pay is in excess of Rs.6500 and ESI not applicable if gross pay is in excess of Rs.7500)			Interview with management & workers; review of records		The factory will maintain accurate payroll reports and pay the legally mandated benefits for all eligible workers.		It has been decided during meeting with the management that all piece rate workers shall be brought regular and under monthly salary provision and paid salary accordingly from 01 Nov 2005 onwards. This shall be done by 30 Oct 2005.	(March 23 and 24, 2006) Hand-list operators have been taken on company rolls, effective Oct 05. Mandated benefits of EPP and ESI are now being provided.			

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings					Remediation					Updates (Cite Date of Follow up)		
			Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (un corroborated)	If not corroborated, explain why	Sources/ Documentation used for corroborating	Notable Features Implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Follow-up visit March 23-24, 2006 (T-Group contracted by Nordstrom))	Documentation	Company Follow up	Documentation
Record Maintenance	The Factories Act, 1948	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 could not produce any pay records for workers not on rolls.					Interview with management		The factory will maintain accurate payroll reports and pay the legally mandated benefits for all eligible workers.					
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	Factories Act 1948	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. Actual working hours cannot be confirmed as time records for night shifts and rest days worked were not available for review. 2. Review of manual time record maintained by Security guard revealed that Security guards work on 12 hour shift.		Interview with management & workers	Non-availability of accurate official time records			Maintain accurate time records for all workers. Workers must record their own time in and time out. Provide accurate time records to auditors upon request. 2) Working hours must be limited to the local legal limits or PC guidelines, whichever is more strict. Factory to develop a plan to progressively reduce working hours by 12/30/2005.		New actual timings being recorded since 01 Oct 05 onwards, as all off-roll workers provided with swipe cards. 3 shifts have been started from 01 Oct 2005 as follows: First shift from 08:00am to 16:00pm, second shift from 16:00pm to 24:00pm and third shift from 24:00 to 08:00am. Now all security guards working on their relevant shift for 8 hrs. Records are available and maintained.		(March 23 and 24, 2006) Time records still inaccurate. While management claims they do not work on rest days, and occasionally work no more than 2 hours of overtime on any given day, records collected from security guards' cabin had entries of work having been done on few rest days in Jan, Feb and March 06. There were also entries of workers having worked up to 21:00pm.		
Legal compliance with protected workers	The Factories Act, 1948	Factory will comply with all applicable laws governing work hours, including those regulating or limiting nature and volume of work performed by women or workers under the age of 18.	Review of manual time record (badest attendance record) maintained by security guard revealed that female workers, who were off rolls, were working up to 20:00pm regularly. On some occasions, these ladies also worked up until 11:00pm in July 05. By law, they cannot work between 19:00pm and 06:00am.		Interview with workers & review of records			The factory will comply with all applicable laws governing work hours, including those regulating or limiting the nature and volume of work performed by women or workers under the age of 18.		It shall be ensured that all lady workers are working only up to working hours as stipulated by the local law. All female workers have been educated on the same.		(March 23 and 24, 2006) The problem persists.			
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 & workers			Develop a system to ensure all working hours are voluntary. The system should be available for auditors and factory management to audit to ensure compliance. Workers and supervisors must be trained on the factory voluntary overtime policy and procedure.		Management shall develop and adopt policies to ensure that overtime is voluntary. For this purpose, display board mentioning that "OT is voluntary" shall be displayed in each section and same shall be briefed during training to all employees by 30 Oct 05.		(March 23 and 24, 2006) Apart from displaying notices to this effect on production floors, there is no formal system in place.			
Other			Few workers on company rolls, were coached to say that factory never works overtime beyond 2 hours a day and on rest days.		Interview with workers			Discontinue the practice of coaching workers. Management and workers are expected to comply with the audit process by providing accurate and complete information to auditors, when requested.				(March 23 and 24, 2006) Workers, both on and off rolls are still being coached			
Overtime Limitations		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.	Review of manual time record maintained by security guard revealed that while 1 security guard has been on duty from 12 - 31 July 05, without day of rest, few female workers, who are off rolls, have worked from 30 June 05 to 24 July 05 without day of rest. In another instance, few workers have worked whole month of July 05 without day of rest except 25 July 05, when they were asked to leave factory, as audit scheduled on that day. Few sweepers interviewed stated that 24 July 05, sweepers worked from 07:00am to 17:00pm and again from 20:00pm through the night until 17:00pm the next day, since factory expecting auditors on 25th. However, manual time record for these sweepers reflects entry at 07:00am on 24th and exit at 01:00am 25 July 05.		Review of manual (unofficial) time records		Interview with workers. However, workers, fearing loss of job requested that this matter not be brought to the attention of the management.	Working hours must be limited to the local legal limits or PC guidelines, whichever is more strict. Factory to develop a plan to progressively reduce working hours by 12/30/2005. Maintain accurate time records for all workers.		It would be ensured that all workers, including off-roll workers, shall be provided with at least 1 weekly day off. This is very closely monitored by HR department. It shall be ensured that workers, including sweepers, are working only up to working hours as stipulated by local law. If overtime required, it would be as per law. This is very closely monitored by HR department designated person.		(March 23 and 24, 2006) Female workers who are "off rolls" have been working 14 to 25 days continuously during past 3 months without day of rest. In Jan 06, workers worked entire month and given day off only on 26 Jan 06 (Republic day) being a national holiday. 1 sweeper has, however, worked for entire month of January without being given single day of rest. No change in status.			
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?	Factories Act 1948	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.	Overtime records are inaccurate and incorrect.		Management stated they were compensating overtime at single wage rate and not at twice wage rate as mandated by law. Records, they said, were made to show compliance with law.	Due to non-availability of accurate time records									
OT Compensation	Factories Act 1948, The minimum wages Act, 1948	The factory shall comply with applicable law for premium rates for overtime compensation.	Workers who are off-rolls stated they are not paid overtime premium for overtime, hours worked beyond 8 hours a day or for work done on Rest days, Festival holidays and National holidays. These workers stated that they are paid at a flat rate of Rs. 6 per hour.		Management stated they were compensating overtime at single wage rate and not at twice wage rate as mandated by law. Records, they said, were made to show compliance with law. For workers not on rolls, they stated that both regular and overtime hours were compensated at Rs.6:00 per hour.	Due to non-availability of accurate time records									
Miscellaneous															
Unauthorized subcontracting			Review of outbound records revealed that some material was being sent out for Dyeing and Printing. This was not disclosed to the auditors during interview with management.		review of records			Factory to inform PCs of any subcontractors used, regardless of process performed by subcontractor. Subcontractor must agree to PC Code of Conduct in writing.				(March 23 and 24, 2006) Management stated that the same practice was continuing			