



2011

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL VERIFICATION REPORT*

COMPANY: New Wave Group
COUNTRY: Bangladesh
FACTORY CODE: 770005192HV
MONITOR: PHULKI
AUDIT DATE: October 17, 2011
PRODUCTS: Apparel
PROCESSES: Knitting, Weaving
NUMBER OF WORKERS: 1227

Company Comment: During the period of roughly 2007-2012, Cutter & Buck was associated with the FLA through our parent company, New Wave Group AB, which was the Participating Company at that time. Since February 2012, Cutter & Buck has become the directly affiliated Participating Company. IEM and SCOPE audits were conducted with several suppliers associated with New Wave Group AB during that period. However, many of these suppliers were never used by Cutter & Buck, and never produced garments for the US collegiate market. Because we had no interactions with these suppliers, we have no input or comment on any pending audit reports.

*To read the original IEM report of this factory, please visit the FLA website [here](#).
For an explanation on how to read this report, please visit the FLA website [here](#).



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Wages, Benefits and Overtime Compensation: Overtime Compensation Awareness

WBOT.11 Workers shall be informed, orally and in writing, about overtime compensation rates prior to undertaking overtime. (P)

Noncompliance

Explanation: Workers do not understand how their overtime work is compensated.

Sources: worker and management interviews

Plan Of Action: The supplier should take the following steps to ensure workers' understanding of overtime compensation:

1. Prepare training materials regarding overtime compensation in the local language, using different methods of teaching based on capacity of the employees.
2. Group workers by education level and prepare a training schedule.
3. Conduct training by personnel who are competent and trained in overtime compensation.

The company will follow up with employees to assess whether the training was appropriate and successful. The supplier should also incorporate overtime compensation training as part of new employee training, including a feedback session to confirm worker understanding of each issue presented.

Deadline Date: 04/29/2012

Action Taken:

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: [Ongoing:](#) Worker interviews revealed that, although workers know that they receive overtime compensation, they are not aware of how the overtime payments are calculated.

Action Verified Date:

Follow-up Plan of Action: [As some progress has been taking place, albeit not with anticipated results, we will monitor and assist the factory to continue its training program in the previous CAP, now with more emphasis on worker feedback on the training.](#)

[January 2012 verification visit update:](#) While only 50% of workers could answer how OT is calculated, 100% confirmed their hourly rate and that they receive double rate during OT hours. We have also confirmed that monthly training was taking place.

Wages, Benefits and Overtime Compensation: Worker Wage Awareness

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

Noncompliance

Explanation: [There is no system to create awareness among workers regarding wages and benefits. Workers were all unaware of their wages, the amount of the minimum wage, and overtime calculation.](#)

[Sources: Worker and management interviews](#)

Plan Of Action: [The supplier should take the following steps to ensure workers' understanding of wages and benefits:](#)

- [1. Prepare training materials regarding wages and benefits in the local language, using different methods of teaching, based on the capacity of employees.](#)
- [2. Group workers by education level and prepare a training schedule.](#)
- [3. Conduct training by competent and trained personnel in wages and benefits.](#)

The company will follow up with employees to assess whether the training was appropriate and successful. The supplier should also incorporate wages and benefits training as part of new employee training, including a feedback session to confirm workers' understanding of each issue presented.

Deadline Date: 04/28/2012

Action Taken:

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: Ongoing: All workers interviewed reported that they know their minimum wage, and that they get overtime payments. However, the workers are not clear about the calculation. Although there is an orientation training for workers on employment terms such as wages, leaves, maternity benefits, etc., it was observed that OT compensation is not understood by the workers.

Action Verified Date:

Follow-up Plan of Action: As some progress has been taking place, albeit not with anticipated results, we will monitor and assist the factory to continue its training program in the previous CAP, with now with more emphasis on worker feedback on the training.

January 2012 verification visit update: We found that workers are aware of their OT calculations according to the law; they know they receive double payment, although not exactly as stated in law (basic x 2 x OT / 208). Most workers are illiterate, so it is not easy for all to understand the calculations in detail, but they are aware of the general concept of OT calculation.



Forced Labor: Employment Terms/Voluntary Agreement

F.3 Employment terms shall be those to which the worker has voluntarily agreed, in as far as those terms do not fall below provisions of local laws, freely negotiated and valid collective bargaining agreements, or the FLA Code. (P)

Noncompliance

Explanation: Workers were not aware of the conditions of the Letter of Employment. They did not know whether or not they were given a copy.

Sources: worker and management interviews

Legal Reference: Article 5, Chapter 2 of Labor Law

Plan Of Action: Supplier should take the following steps to ensure workers' understanding of conditions of employment, specifically the terms of Letter of Employment:

1. Prepare training materials regarding conditions of employment in local language, using different methods of teaching, based on the capacity of employees.
2. Group workers by education level and prepare a training schedule.
3. Conduct training by competent and trained personnel on conditions of employment.
4. Provide a copy of the employment contract to employees at time of training.

The company will follow up with employees to assess whether the training was appropriate and successful. The supplier should also a) develop a policy to provide employment contracts upon recruitment and b) incorporate conditions of employment training as part of new employee training, including a feedback session to confirm workers' understanding of each issue presented.

Deadline Date: 04/29/2012

Action Taken:

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: Ongoing: Document review revealed that all workers have appointment letters. Worker interviews confirmed that they have received a copy of the letter. However, worker interviews also revealed that workers are not aware of the content/provisions of the letter.

Action Verified Date:

Follow-up Plan of Action: As some progress has been taking place, albeit not with anticipated results, we will monitor and assist the factory to continue its training program in the previous CAP, with now with more emphasis on worker feedback and evaluation on the training.

January 2012 verification visit update: The factory management developed materials and provided training about specific provisions of the appointment letter (such as termination, leave, in case of dispute, etc.). We found that approximately 30% of workers are aware of the training subject. The factory management is committed to continuing their training program.

Forced Labor: Other - Forced Labor

Other

Noncompliance

Explanation: There is no policy on forced labor in the factory.

Plan Of Action: The supplier should develop a policy prohibiting forced labor. The supplier should also take the following steps to ensure workers' understanding of its forced labor prohibition:

1. Prepare training materials regarding the forced labor policy in the local language using different methods of teaching based on the capacity of employees.
2. Group workers by education level and prepare a training schedule.
3. Conduct training by competent and trained personnel regarding forced labor policy.

New Wave Group (NWG) will follow up with employees to assess whether the training was appropriate and successful. The supplier should also incorporate forced labor training as part of new employee training, including a feedback session, to confirm worker understanding of each issue presented.

Deadline Date: 04/01/2010

Action Taken:

Plan Complete: No

Plan Complete Date:

Action Verified: Yes

Action Verified Text: Completed: Factory has developed written policies on forced labor.

Action Verified Date: 10/17/2011

Follow-up Plan of Action: January 2012 verification visit update: We found that factory management also conducted training with the subject of "force labor."

Freedom of Association: Right to Freely Associate

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

Uncorroborated Evidence of Noncompliance

Explanation: Workers were not treated well if they had any union affiliation. On the basis of interviews with union representatives and workers, we were informed that, initially, a few workers expressed the desire to unionize; however, they were later threatened and forcefully terminated by management. With the fear of forceful termination, the other workers did not show favor for unionization.

Plan Of Action: Supplier should take the following steps to ensure workers understand their right to freely associate, join and participate in union activities:

1. Develop a policy establishing the right of workers to organize and join organizations of their own choosing, without threats or approval from management, including the creation of an Employee Participation Committee.
2. Prepare training materials regarding freedom of association and company policy in the local language, using different methods of teaching, based on the capacity of employees.
3. Group workers by education level and prepare a training schedule.
4. Conduct training by competent and trained personnel in freedom of association.

NWG will follow up with employees to assess whether the training was appropriate and successful. The supplier should also incorporate freedom of association training as part of new employee training, including a feedback session, to confirm worker understanding of each issue presented. Supplier should immediately refrain from threatening employees who show interest in forming or associating with labor unions or other organizations of employee's choice.

Deadline Date: 04/28/2012

Action Taken:

Plan Complete: No

**Plan
Complete
Date:**

**Action
Verified:** No

**Action
Verified
Text:** Ongoing: None of the workers are member of trade unions. Retaliation due to trade unionism was not reported. There is a Workers' Participation Committee (WPC) at the factory, but none of the interviewed workers demonstrated an understanding of the mandate/activities of the committee. Half of the workers interviewed did not know who the worker representatives are.

**Action
Verified
Date:**

**Follow-up
Plan of
Action:** New Wave will resume the previous CAP about continuous training, with more emphasis on the evaluation of the training, in order to assess the necessity to adjust the training material and form. We will also work with the factory to ensure new workers are given this training as part of their new employee training.

January 2012 verification visit update: Approximately 30% of workers were not aware of the WPC activities. The workers are not aware about all members of the WPC, but all workers know their department representative. We have not found any termination of employment due to unionization in the past 7-8 months.

Freedom of Association: Grievance Procedure

FOA.26 Employer shall have in place written grievance procedures that allow first an attempt to settle grievances directly between the worker and the immediate supervisor but that, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Employers shall ensure that the grievance procedures and applicable rules are known to workers. (P)

Noncompliance

Explanation: There were no written grievance procedures in the factory and workers were unaware of how to use the complaint boxes.

Sources: worker and management interviews

Plan Of Action: The supplier should develop a written grievance policy and procedure including, but not limited to, the chain of communication, the rights of the workers, confidentiality, and company response. The supplier should also take the following steps to ensure workers' understanding of the grievance policy and procedure:

1. Prepare training materials regarding the grievance policy and procedure in the local language, using different methods of teaching, based on the capacity of employees.
2. Group workers by education level and prepare a training schedule.
3. Conduct training by competent and trained personnel regarding the grievance policy and procedure.
4. Ensure that the complaint/suggestion boxes are situated to maintain confidentiality.

NWG will follow up with employees to assess whether the training was appropriate and successful. The supplier should also incorporate the grievance policy and procedure training as part of the new employee training, including a feedback session to confirm workers' understanding of each issue presented.

Deadline Date: 04/28/2012

Action Taken:

Plan Complete: No

**Plan
Complete
Date:**

**Action
Verified:** No

**Action
Verified
Text:** Ongoing: Factory has developed a grievance policy and procedure including the chain of communication; it was posted on the ground floor and the 5th floor. There are suggestion/complaint boxes in the toilets. However, interviews with workers revealed that workers are not aware of any of these procedures, and they do not know the mandate of the suggestion boxes, either.

**Action
Verified
Date:**

**Follow-up
Plan of
Action:** We will follow up with the factory to ensure trainings are provided regularly. We will particularly focus on the implementation of the grievance procedure (now that the majority of workers are aware of it) and find out how/if it is being practiced. The factory shall regularly evaluate the grievance system and make sure workers are confident in using it and that their complaints are being forwarded and heard.

January 2012 verification visit update: We found that there was a grievance procedure developed and workers have been through awareness training program. Through interviews, we found that the majority of workers are now aware of the grievance procedure.

Freedom of Association: Other - Freedom of Association and Collective Bargaining

Other

Noncompliance

Explanation: The Workers Participation Committee (WPC) focuses only on general welfare issues, rather than labor rights. Workers do not know about this committee's role.

Sources: worker interviews, document check on committee minutes

Plan Of Action: The supplier should train members of WPC on issues that should be included as part of its function, including but not limited to, labor rights. Supplier should also take the following steps to ensure workers' understanding of WPC:

1. Prepare training materials regarding the WPC, including the roles of the WPC, in the local language using different methods of teaching based on the capacity of employees.
2. Group workers by education level and prepare a training schedule.
3. Conduct training by competent and trained personnel regarding the WPC.
4. Establish WPC meeting schedule and post this schedule and meeting minutes in facility.

NWG will follow up with employees to assess whether the training was appropriate and successful. The supplier should also incorporate WPC training as part of the new employee training, including a feedback session, to confirm workers' understanding of each issue presented.

Deadline Date: 04/28/2012

Action Taken:

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: Pending: Worker interviews revealed that workers were not familiar with WPC members or their responsibilities. The meeting minutes revealed that the committee mainly focuses on general issues, such as the lack of soap in toilets, etc., rather than issues related to wages, benefits, complaints, etc.

Action Verified Date:

Follow-up Plan of Action: We will monitor the factory to ensure that regular meetings are being held and that various relevant issues, general, as well as labor related, are being raised. We will also be in touch with the factory to provide feedback and assist them in encouraging worker and management participation in labor-related issues.

January 2012 verification visit update: By talking with members of the WPC, we found that, recently, they shared and discussed some points on labor rights regarding leave, but there was nothing noted about this in meeting minutes.

Harassment or Abuse: Discipline/Written Disciplinary System

H&A.5 Employers shall maintain a system of written disciplinary rules, procedures and practices. Disciplinary rules, procedures and practices shall be clearly communicated to all workers. (P)

Noncompliance

Explanation: The factory did not maintain a disciplinary policy and procedure.

Plan Of Action: The supplier should develop and maintain a disciplinary policy and procedure. The supplier should also take the following steps to ensure workers' understanding of the disciplinary policy and procedure:

1. Prepare training materials regarding the disciplinary policy and procedure in the local language, using different methods of teaching based on the capacity of employees.
2. Group workers by education level and prepare a training schedule.
3. Conduct training by competent and trained personnel regarding the disciplinary policy and procedure.

NWG will follow up with employees to assess whether the training was appropriate and successful. The supplier should also incorporate the disciplinary policy and procedure as part of new employee training, including a feedback session to confirm workers' understanding of each issue presented.

Deadline 04/28/2012
Date:

Action
Taken:

Plan No
Complete:

Plan
Complete
Date:

Action No
Verified:

Action Ongoing: Factory has written a disciplinary policy, but it was observed that workers are
Verified not aware of the policy. Document review revealed that there were no disciplinary action
Text: logs kept.

Action
Verified
Date:

Follow-up Pending issue from the last IEM. We will keep close contact with the factory to ensure
Plan of the disciplinary procedure is being implemented. Apart from the CAP above, the factory
Action: should appoint 1 person responsible for communicating and maintaining the policy and
communication to all workers.

Harassment or Abuse: Discipline/Verbal Abuse

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

Noncompliance

Explanation: Verbal abuse was a common site on the production floor. Verbal abuse, like screaming and yelling by floor supervisors, was a common occurrence. Also, a member of personnel higher in authority was seen shouting at workers on the production floor. The management agreed that the personnel is rude in personality; however, that they would take this into consideration.

Plan Of Action: The supplier should cease verbal abuse immediately. The supplier should also develop a policy regarding the prohibition of verbal abuse and train all supervisors regarding this policy. The policy should include disciplinary action for violating the policy.

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: Ongoing: From visual inspection, supervisors misbehaved towards the workers to make them speed up the production; management also agreed that verbal abuse sometimes happened for controlling workers.

Action Verified Date:

Follow-up Plan of Action: 1. The factory should appoint person(s) responsible for receiving reports of verbal abuse; top management should be informed about any such incidents and should see that disciplinary action is being enforced.

2. The factory should also keep record of any reported abuse.

3. The factory should also conduct regular trainings to be followed up by New Wave in order to evaluate whether the disciplinary system is working and to maintain worker awareness.

January 2012 verification visit update: Factory has developed policy and procedure. They conduct training and counseling among all senior workers and supervisors. After talking with workers, it is confirmed that ration on verbal abuse reduced it from earlier actions, although there is still a need to strengthen the program.

Child Labor: Proof of Age Documentation

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

Noncompliance

Explanation: About 1/5th of workers' personnel files were missing national IDs and the only document as proof of age was factory medical inspection, approved by the local authority

Sources: doctor interview, personnel file review

Plan Of Action: Supplier should identify all workers whose personnel file lacks sufficient proof of age and national identification. Supplier should request those identified workers to provide national ID by collecting ID from place of registration. Supplier should establish process for collecting national ID and appropriate proof of age during worker orientation/new hire process.

Deadline Date: 01/15/2010

Action Taken:

Plan Complete: No

**Plan
Complete
Date:**

Action Verified: Yes

Action Verified Text: Completed: Documentation revealed all personnel files involved a copy of national IDs.

Action Verified Date: 10/17/2011

Non-Discrimination Sex-Based Wage Discrimination

D.4 There shall be no differences in remuneration for men and women workers for work of equal value. Remuneration (wages, compensation) includes the basic minimum or prevailing industry wage and any additional payments to be made directly or indirectly, whether in cash or in-kind, by the employer to the worker and arising out of the workers' employment. Such additional payments include wage differentials or increments based on seniority or marital status, cost of living allowances, housing or residential allowances, family allowances, benefits in-kind such as the allotment and cleaning of work clothes or safety equipment, and social security benefits. (S)

Noncompliance

Explanation: Worker interviews and personnel file review found factory practices wage discrimination for adult women workers. Also, discrimination exists in that women workers are not seen in higher managerial positions. Also validated from visual inspection and record review.

Plan Of Action: Supplier should cease wage discrimination immediately; create job descriptions for all worker positions; and fix a salary range for each position based on employee qualification, education, and experience. Supplier should evaluate employee performance on a yearly basis at a minimum, and establish a yearly wage increase policy. Workers should be advised of the performance evaluation and yearly wage increase policy through training of existing employees and as part of new employee orientation. Supplier should also create a policy on non-discrimination, prepare training materials in the local language, and conduct training in an appropriate manner, giving special attention to different education levels of workers.

Deadline Date: 05/28/2012

Action Taken:

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: Ongoing: Wage discrimination on the basis of gender is still prevailing, particularly in the finishing section. It was also observed that women workers are still not ranked in higher managerial positions.

Action Verified Date:

Follow-up Plan of Action: 1. As the current efforts apparently are not sufficient, the factory should work on communicating the wage policy and salary range to all employees to ensure transparency on the promotion policies.

2. The factory should ensure workers understand the promotion requirements.

3. New Wave is to regularly monitor the progress, particularly by worker interviews, in order to evaluate how the policy is being enforced justly.

January 2012 verification visit update: The factory has developed a performance appraisal and wage increase policy. They have a non-discrimination policy and are conducting such training for workers. However, the factory has stated that it will still take some time to promote a few female workers after assessment.

Code Awareness:

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

Noncompliance

Explanation: Information/documents on labor laws and regulations are not posted in prominent places in the factory. Some policies posted are in English and not in the local language, which is Bengali. No training has been given to workers or mid-management level personnel.

Plan Of Action: The supplier should prepare training materials on applicable labor laws and regulations in the local language and conduct training in an appropriate manner, giving special attention to the different education levels of workers. Such laws and regulations should be posted in the facility at appropriate locations and in local language.

Deadline Date: 04/01/2010

Action Taken:

Plan Complete: No

Plan Complete Date:

Action Verified: Yes

Action Verified Text: Completed: The New Wave Group Code of Conduct is given to the factory. Information on the labor law was posted on the 5th floor.

Action Verified Date: 10/17/2011

Code Awareness:

GEN.2 Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.

Noncompliance

Explanation: Workers were unaware of code of conduct (COC) requirements and labor law. There was no training regarding code of conducts or labor rights.

Sources: worker and management interviews; training records

Plan Of Action: The supplier should prepare training materials on code of conduct and labor rights in the local language and conduct training in appropriate manner, giving special attention to the different education levels of workers. Such code of conduct and labor rights should be posted in the facility at appropriate locations and in the local language.

Deadline Date: 04/28/2012

Action Taken:

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: Ongoing: Documentation revealed that in new employee training, management conducted the session on awareness of code standards. However, 95% of the workers interviewed were not aware of the COC and the labor law.

Action Verified Date:



Follow-up Plan of Action: We will pursue the factory to continue with the training and ensure all new employees are being provided such training as a part of their new employee training.

January 2012 verification visit update: We found that their training was taking place and approximately 30% of the workers are able to answer fundamental labor law related questions, such as time and wage. Although worker understanding is still insufficient, we have seen an improvement and will push the management to continue with the training program.

Health and Safety: Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

Noncompliance

Explanation: Fire safety precautions at the warehouse located at entrance floor were insufficient, e.g., there were no emergency lighting, workers were not trained on how to use fire extinguishers, and the area was not well maintained.

Sources: worker/management interviews, visual observations

Plan Of Action: The supplier should fix all emergency lighting throughout the facility and purchase the necessary emergency equipment. The supplier should develop a health and safety and emergency preparedness system, including responsibilities of Health and Safety Officer. Responsibilities should include a) conducting and recording regular safety checks, to ensure all emergency equipment functions, b) evaluating all emergency exits and paths to ensure they are unblocked and accessible, and c) conducting emergency drills to ensure workers understand emergency procedures. Supplier should prepare training materials on emergency procedures in local language and conduct training in appropriate manner, giving special consideration to the different education levels of workers.

Deadline Date: 04/28/2012

Action Taken:

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: Ongoing: From worker interviews, it was found that most workers did not know the process of how to operate a fire extinguisher. But, it was found from documentation and worker interviews, that management arranged trainings on this issue and the fire fighters' team can operate the fire extinguisher.

Action Verified Date:

Follow-up Plan of Action: Factory should continue to provide relevant training all employees on fire safety and evaluate the fire safety awareness of the workers.

Health and Safety: Personal Protective Equipment

H&S.11 Workers shall be provided with effective and all necessary personal protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to health and safety hazards, including medical waste. (S)

Noncompliance

Explanation: Employees work, walk, and use toilets barefoot; thusly, they are vulnerable to unhygienic conditions and exposed to health hazards.

Sources: visual observations, management interview

Plan Of Action: The supplier should develop a policy on hygiene. The supplier should also take the following steps to ensure workers' understanding of the hygiene policy:

1. Prepare training materials regarding hygiene in local language, using different methods of teaching based on the capacity of employees.

2. Group workers by education level and prepare a training schedule.

3. Conduct training by competent and trained personnel regarding hygiene.

NWG will follow up with employees to assess whether the training was appropriate and successful. The supplier should also incorporate hygiene training as part of new employee training, including a feedback session to confirm workers' understanding of each issue presented. NWG recommends the supplier to a) provide shoes to workers for internal use only, b) provide storage for shoes, and c) designate a monitor to ensure shoe usage.

Deadline Date: 03/31/2012

Action Taken:

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: Pending: From visual inspection, it was found that workers use toilets barefooted. Toilet conditions were unhygienic.

Action Verified Date:

Follow-up Plan of Action: Start implementation of CAP immediately and also make sure there is a person responsible for the hygiene in the toilets.

Health and Safety: Sanitation in Factory Facilities

H&S.22 All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical and safety and health regulations. (S)

Noncompliance

Explanation: Bathrooms were not clean or hygienically maintained. Housekeepers were not well trained on how to keep those areas maintained and dry. Female workers use waste fabrics during their menstruation cycles.

Sources: worker interviews, visual inspection

Plan Of Action: The supplier should develop a policy on hygiene including having a separate training for female workers on the use of sanitary napkins during menstruation. The supplier should provide sanitary napkins in the female toilets. The supplier should take the following steps to ensure worker understanding of the hygiene policy:

1. Prepare training materials regarding hygiene in the local language using different methods of teaching, based on the capacity of employees.
2. Group workers by education level and prepare a training schedule.
3. Conduct training by competent and trained personnel regarding hygiene.

NWG will follow up with employees to assess whether the training was appropriate and successful. The supplier should also incorporate hygiene training as part of new employee training, including a feedback session to confirm workers' understanding of each issue presented. In addition, NWG recommends for the supplier to provide special training and instruction to cleaners regarding bathroom and workspace cleanliness.

Deadline Date: 03/31/2012

Action Taken: The findings still pending from visual inspection, but the factory management is committed to proceed with training on health and hygiene for workers.

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: Pending: From visual inspection, it was found that bathrooms were not clean and were totally unhygienic.

Action Verified Date: 10/17/2011

Follow-up Plan of Action: Start implementation of CAP immediately and evaluate the effects of the training, also make sure there is a person responsible for the hygiene in the toilets. New Wave will follow up with factory to ensure the training is being done and will check the effects thereof.

Hours of Work: General Compliance Hours of Work

HOW.1 Employers shall comply with all local laws, regulations and procedures concerning hours of work, public holidays and leave. (S)

Uncorroborated Evidence of Noncompliance

Explanation: 1. On the basis of off-site interviews and visual observation of work after 6 PM, there was an evidence of hidden overtime in the factory. Worker interviews revealed that they work after normal working hours and do night work and work during holidays. However, this information could not be validated from documentation review, as management kept them in a secret place and maintains them informally. Hence, the issue remains uncorroborated.

2. From off-site interviews, it was also found that management maintains double records. However, we did not find the information from the documentation review, since management kept them in a secret place and maintains them informally.

Plan Of Action: The supplier should maintain one set of records and ensure hours of work policies are consistent with all record keeping. The supplier should show all sets of time keeping records to auditors to ensure transparency and the actual factory situation. The supplier should identify the root cause for overtime by hiring a consultant or other competent person to study and develop a method to increase productivity while reducing overtime on a progressive basis that ensures a) workers receive 1 day off each week, b) employees work no more than 60 hours per week and c) workers are duly compensated for such work. Mid-level managers should be trained on such productivity-increasing methods.

Deadline 08/31/2012
Date:

Action
Taken:

Plan No
Complete:

Plan
Complete
Date:

Action No
Verified:

Action Pending: Worker interviews revealed that the workers work overtime in peak periods.
Verified However, overtime work could not be verified through documentation, as the factory
Text: management keeps these hours informally.

Action 10/17/2011
Verified
Date:

Follow-up We will work with the factory to plan their production according to the previous CAP, in
Plan of order to create a sustainable solution for the overtime issues and to increase
Action: transparency of the records. In addition to the abovementioned measures, the factory
should also develop a monitoring system to alert management in time when excessive
overtime is at hand. We are also committed to look over our own procedures to ensure
there is enough lead time for factories to complete the orders on time.
