

FLA IEM Profile								
Country	India							
Factory name	07021539B							
IEM	T-Group Solutions Pvt. Ltd.							
Date of audit	August 8 - 9, 2003							
Days in the facility	2							
PC(s)	Nike							
Number of workers	1110							
Product(s)	Track Suits, Jackets, Pants							
Production processes	Cutting, Sewing, Finishing, Packing							
	Findings					Remediation		
FLA Code/ Compliance Issue	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practices	PC Remediation Plan	Factory Response	PC Follow Up
1. Code Awareness								
Code Posting/Information		FLA Principles of Monitoring, Obligations of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	PC's Code of Conduct is posted in work areas. While the Factories Act is posted in English it must be posted in the local language as well.	Visual observation		PC will direct factory to post the Factories Act in the local language.	Factory will post the Factories Act in the local language.	April 2004 Update: Completed. Factory has posted the Factories Act in the local language.
Confidential Noncompliance Reporting Channel		FLA Principles of Monitoring, Obligations 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.	Suggestion box placed in toilets and canteen. These are opened weekly and issues are addressed by factory management. However, PC should put in place a confidential noncompliance reporting mechanism that allows workers to report complaints.	Visual inspection and interviews				April 2004 Update: In alignment with PC's objective to strengthen contract manufacturers' internal grievance processes, 2 pilot educational programs facilitated by local Non-Governmental Organizations are underway currently in Indonesia and China. In addition, PC's compliance staff spend time listening to factory employees during one-on-one confidential interviews during in-depth Management Audits. More than 6,600 factory employees confidentially interviewed by PC's compliance staff from August 1, 2002 through November 2003. Workers can also meet with the factory manager daily between 4 -5 pm. See documentation attached.
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	By law, a worker upon completion of 240 days of continuity at work is deemed to be permanent.	Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this code provision.	Appointment letters seen on files, state that worker is being appointed on a temporary basis for a period of 6 or 12 months. Thereafter, worker ceases to be an employee of factory. However, most workers continue to be working upon expiration of period stated in their "temporary appointment letters" without a letter of confirmation of appointment. Moreover, since a worker's appointment deemed to be confirmed upon continuity of work up to 240 days, it is inappropriate to issue a letter of temporary appointment beyond this period. Appointment letters do not provide details of mandatory benefits the workers are entitled to. Most appointment letters issued are in English and not in local language. Most workers interviewed not provided a copy of their appointment letters; hence, they are not aware of contents of appointment letters. They were, however, required to sign a copy which is kept in personnel files in custody of factory.	Review of personnel files containing appointment letters and interview with workers.		Appointment letters must be revised to meet requirements under law, translated to local language, and a copy provided to workers.	Confirmation letters will be revised to meet standards. In our opinion, it is a Law of the Land to provide Employees State Insurance (ESI) and Provident Fund (PF) right from the first day of employment; hence, there is no necessity to include in appointment letter.	Oct 2003: PC has verified that appointment letters have been revised and copies placed into individual personnel files. Training on this subject has been given to workers. Since factory management revised appointment letter on 30th Oct 2003, workers should be receiving this revised copy in local language by November 15, 2003.

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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 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 minimum working age, including medical or religious records, or other means considered reliable in local context.	Some workers interviewed stated that they had not met the doctor who had issued their "Proof of Age" Certificate.	Interview with Workers		Proof of age certificates submitted must be valid.	Workers cannot obtain the proof of age certificate without visiting the doctor in person.	Oct 2003: PC has verified with factory management that effective Dec 15, 2003, if a job candidate does not have a school-leaving certificate or any other officially recognized age certificate, factory will arrange to have candidate examined by a registered dentist or orthopedic doctor to determine and certify candidate's age. PC will do follow-up check in January 2004 to verify that this is being followed. Jan 2004 Update: Follow up audited conducted on 12 January 2004. Issue is still pending. Management is identifying how to screen authenticity of medical certificates provided by workers which meet requirements of their multiple buyers. Factory to report back with action plan.
4. Harassment or Abuse								
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.								
Gender Sensitive Security		Security practices will be gender-appropriate and non-intrusive.	Personal belongings of females, including handbags, are inspected by male security guard at the end of day's work.	Visual observation		Factory must appoint a female security guard to conduct security searches for female employees.		Oct 2003: The female security guard has been appointed on August 18, 2003.
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	The Factories Act - 1948 and Karnataka Factories Rules - 1969	Employer will comply with applicable health and safely 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.	(1) Cutting machine wire seen crossing an aisle. (2) 2 aisles and a fire extinguisher blocked with fabric bundles. Fabric rolls seen stacked at start of staircase in cutting section. Overall, cutting section was congested. (3) Some standing workers seen working barefoot or using hard-soled high heel sandals. They should sport appropriate footwear. (4) Excessive lint accumulation and floating fabric fibers observed in cutting and production areas. Lint seen on overhead electrical and in and around electric switch - gear. (5) Need to mark all exits with yellow box indicating these areas must be maintained clear of obstruction. (6) Fabric store disorganized with some fabric lying on passages. Only has 1 exit. (7) Factory using a 180 KVA power generator, for which an approval is not available as required by law. (8) Factory does not have consent letter for "Air" and "Water", from pollution control board. (9) Some workers with standing jobs complained of pain in their legs, few workers complained of backache and headache. (10) Install "No Smoking" sign and fire extinguisher in diesel storage area.	Visual Inspection		Factory must rectify the safety and health issues listed.	Photo doc proofs attached for all findings. Refer photo doc- Fabric stores- additional exit.	Oct 2003: Findings (1-5) have been corrected. Finding (6): Exit will be constructed once factory obtains permission from landlord. Finding (7): Factory has applied for permission for OF 180 KVA generator set. Finding (8): Factory has applied for air and water authority from the pollution control board (Copy Attached). Finding (9): Stools have been provided (Corrected - photos attached).

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Evacuation Procedure	The Factories Act - 1948 and Karnataka Factories Rules - 1969	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) No emergency light on emergency exit of cutting section. No emergency lights to light up exit routes. (2) Emergency lights installed on exits and stairwells are small tube-lights which may not penetrate through thick smoke. Should install high beam type with battery back up. (3) Wall-side aisles on both sewing floors narrow and not marked with yellow lines. (4) Some sewing operators blocked access to passage with bins. Ironers in finishing section had no access to any passage, with packed cartons stacked on 1 side and hanger holding garments on other. (5) Row of concrete pillars in middle of 2 aisles blocks free movement of people in both sewing halls. Side aisle in 2nd sewing hall blocked with hanger stand. (6) Congestion noticed on both sewing floors. Suggest minimum clear aisle width of 3 feet and machine-to-machine clearance of 2 feet. (7) Both sewing floors over 150 feet in length with 2 exits, 1 in middle and 1 at one end. Considering size of these floors, number of people in attendance and volume of material moving through production process, suggest 3rd exit be opened at other end of both sewing halls, so as to facilitate easy evacuation should emergency situation arise. (8) Evacuation signs posted in some areas on sewing floors incorrect as point towards farther exit instead of nearer exit. (9) Evacuation signs posted on aisles in yellow and difficult to distinguish from a distance suggest these be painted in red. (10) Evacuation plans must be prominently displayed at both ends of production halls, preferably near exits where most workers have access to them. (11) Both exits in finishing and packing section are in finished goods storage area, which sometimes is blocked with cartons when storage area is full. Suggest 3rd exit be provided in work area. (Exit and 2 aisles found blocked during inspection). (12) Emergency exit in embroidery section should be marked and appropriate emergency light should be installed here. (13) Accessory store has 1 exit which is mostly blocked with accessories issue table/station. (14) Horizontal aisles do not have evacuation signs. (15) Need to mark aisle from finishing/packing area to exits with yellow lines	Visual Inspection		Factory must rectify the safety and health issues listed.		Oct. 2003: PC has verified the following: 1) Installed. 2) Exit light having penetrating power in smoke installed. 3) Rectified. 4) Rectified. 5) Rectified. 6) Rectified. (7) Work in progress. (8) Rectified. (9) Rectified. (10) Rectified. (11) Exit cleared and 3rd exit work in progress. (12) Rectified. Photo doc attached. (13) Pending as of 28 Oct 2003. (14) Rectified. Photo doc attached. (15) Rectified. Photo doc attached. Jan 2004 Update: (7) 3rd exit completed. (12) Rectified. (13) Work in progress. (14) Rectified. (15) Rectified. 12 Jan 2004: (13) now rectified as per follow-up visit..
Safety Equipment	The Factories Act - 1948 and Karnataka Factories Rules - 1969	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) Install eye wash cup, lotion and latex gloves in first aid boxes. (2) Provide 2 additional first aid boxes so as to achieve ratio of 1:100 employees. (3) Factory should install 8 additional fire extinguishers so as to achieve ratio of 1:1000 square feet.	Visual Inspection		Factory must rectify the safety concerns listed.		Oct 2003: (1) Photo documentation, 2) Corrected, (3) Receipt for new fire extinguisher attached.
Personal Protective Equipment (PPE)	The Factories Act - 1948 and Karnataka Factories Rules - 1969	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.	Many workers who did not have appropriate respiratory masks were seen covering their noses with a part of their clothing or handkerchiefs as a protection against floating lint.	Visual Inspection		Factory must provide the appropriate respiratory masks.		Oct 2003: Corrected
Chemical Management	The Factories Act - 1948 and Karnataka Factories Rules - 1969	All chemical and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job duties, in the safe use of chemicals and other hazardous substances.	Material Safety Data Sheets (MSDS) not posted in the stain removing section.	Visual Inspection		PC will direct the factory to post the MSDS in the stain removing section.	Factory will post the MSDS in the stain removing section.	April 2004 Update: Completed. Factory has posted MSDS in the stain removing section.
Ventilation/Electrical/Facility Maintenance	The Factories Act - 1948 and Karnataka Factories Rules - 1969	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) Taped joints on damaged wiring of a vertical cutter were seen. (2) Lighting levels at needle point on most sewing machines and on other workstations ranging from 90 lux to 330 lux. This is inadequate and should be maintained at a minimum level of 500 lux.	Visual Inspection, lighting-level measured with a light-meter.		Factory must rectify the electrical and lighting issues listed.		Oct 2003: 1) Corrected, 2) Corrected
Machinery Maintenance	Per law factory needs to ensure that all dangerous and moving parts of machinery while in use are properly fenced/encased/guarded	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	(1) Some sewing machines did not have needle guards, while in some instances operators had tampered with them, rendering them ineffective. (2) Some sewing machines did not have protective guards/ covers over moving transmission belts.	Visual Inspection		Factory must provide needle guards and protective guards on sewing machines.		Oct 2003: 1) Rectified 2) Rectified

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Sanitation in Facilities	Per law, factory should have 1 toilet per 25 female workers. For male workers, for first 100 workers. 4 toilets and for every additional 50 workers, 1 toilet.	All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	(1) Most toilet blocks do not have adequate hand wash facilities. Suggest sinks or taps be installed in these areas at rate of 1 per 50 workers. (2) Per law, factory must provide toilets for female workers at rate of 1 per 25. Since factory has 750 female employees, there should be 30 toilets, while presently there are 19. (3) Male toilets on ground floor of unit 1 not clean. Most flushes in male toilet blocks not functional. (4) Extend roof overhang on both sides of canteen in unit 1 to provide protection from inclement weather.	Visual Inspection			1) Work in progress. 2) We are in the process of constructing adequate toilets. We have sought permission of landlord and corporation. 3) Corrected. 4) Same as point 2.	Oct 2003: PC has verified that factory has built 11 toilets: 8 female and 3 male. Jan 2004 Update: PC has verified that factory has addressed and completed all other issues with regards to the toilets.
7. Freedom of Association and Collective Bargaining								
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.								
Other			No training has been conducted for supervisors and management in the Freedom of Association Code and legal requirements.	Factory Profile and interview with management		PC to direct factory to conduct training in Freedom of Association to supervisors and managers.	Factory to conduct training in Freedom of Association to supervisors and managers.	April 2004 Update: Pending. Factory has committed to commence the training in May 2004. PC to follow up in May/June 2004 to check on completion 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.								
Wage Benefits Awareness		Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law.	Workers are informed of their wages, benefits and bonuses verbally; however, these should be incorporated in appointment letters, a copy of which should be provided to them. Progressive wage increase information should be incorporated in all personnel files.	Review of personal files and workers interview.			It is a law of the land to provide cover of Employees State Insurance and Provident Fund to workers from first day; hence, to our opinion it is not required to include in the appointment letter. Progressive wage increase has been incorporated into service record of all personnel files.	Oct 2003: Factory has provided training on wages and other mandatory benefits, which was conducted Oct 29, 2003. Training named as Nike Code of Conduct training program. Training module focuses on all the mandatory benefits and wages. The progressive wage increase details now being mentioned in all worker's personnel files.
Payroll Reporting	All payments are to be made by 7th day of month if worker strength is within 1000. If above 1000 workers, payment should be made by 10th day of month. Applicable minimum wage has to be paid.	Accurate and reliable payroll reporting, including pay stubs will be provided.	Wage payments are in alignment with the law and pay stubs are provided. However, payment of overtime beyond the legal limits is made on the 13th of month, for which records are not available.	Review of pay records for the last 12 months and interviews with workers and management			As per workers convenience, the extra hour payment is paid separately to avoid spending at one time.	Oct 2003: Factory would not intend to change the date of payment of OT as of the said reason. OT done beyond legal limits now named as Quality incentive (QI). In months of July and August, same was called Cash Advance and from month of September, termed as Quality Incentive. Nike auditors have informed factory that OT hours must be indicated on pay slip as OT and not Quality Incentive. Jan 2004: Still in progress. PC has requested factory to declare all OT wages and hours on pay slips and to train workers to understand how OT pay is calculated. PC shall do a follow-up visit in March 2004 to check on progress and status of this issue.
Pay Statement	A statement providing details of earned wages, days worked, deductions, benefits, bonuses, etc., has to be provided to every employee at the end of each pay period.	Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions.	Pay statement is being provided to all employees giving all details. However, the date of payment is not incorporated in the pay statement	Review of pay records and pay statements		Factory must revise pay slip to include the payment date.	Will revise October pay slips.	Factory will revise October pay slips to incorporate the payment date. PC will verify in November 2003 that this has been completed. Jan 2004: Factory has revised October pay slips to incorporate payment date. PC has verified this during follow-up visit in Jan 2004. Scanned pay slip attached.
Time Recording System		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems, such as electronic swipe cards.	Factory has a time clock with swipe card system. However, overtime hours worked beyond legal ceiling of 50 hours per quarter and overtime work undertaken on Sundays (weekly day off) are not recorded.	Review of time records, other factory records linked with production and interview with employees		All regular and OT hours worked must be recorded on the same timekeeping system and records must be made available.	Will install software that records all regular and OT hours worked.	Oct 2003: Factory has installed new software that records the complete work time of an employee. This new software accounts work done on Sundays, as well as other holidays. Any OT work done with in legal limits is termed as OT and remaining is considered as Quality Incentive (QI). PC has scanned QI muster roll and payment register for the past quarter. Jan 2004 Update: PC to continue to monitor this situation through management audit follow up.

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Record Maintenance		All compensation records will be maintained accurately and should be acknowledged by the employee as accurate.	Overtime records for work done beyond legal ceiling of 50 hours per quarter and on rest days were not available for review. Other wage and overtime payment records are available and were found to be in order.	Inspection of payroll records, time records, other production linked records and employee interviews		All regular and OT hours worked must be recorded on the same timekeeping system and records must be made available.		Oct 2003: The factory has installed new software that records the complete work time of an employee. This new software accounts the work done on Sundays, as well as other holidays.
False Payroll Records		Employers will not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.	Factory has a time clock with swipe card system. However, overtime hours worked beyond legal ceiling of 50 hours per quarter and overtime work undertaken on Sundays (weekly day off) are not formally recorded. This is paid separately on 13th day of month, records not available.	Interview with management, workers and review of other production related records.		All regular and OT hours worked must be recorded on the same timekeeping system and records must be made available.		Oct 2003: The factory has installed new software that records the complete work time of an employee. This new software accounts the work done on Sundays, as well as other holidays. Copy of the same attached.
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.								
Forced Overtime		Under extraordinary business circumstances, employers will make extensive efforts to secure voluntary overtime work prior to mandating involuntary overtime.	Factory does not record overtime beyond 50 hours per quarter; hence, does not have a system in place to document voluntary overtime during extraordinary business circumstances.	Review of records and interview with employees		All regular and OT hours worked must be recorded on the same timekeeping system and records must be made available. Voluntary OT authorization must be signed by workers.	Factory will maintain voluntary OT log.	Oct 2003: The factory management has started acquiring voluntary signatures from workers who work OT starting October 2003. Voluntary OT signatures copy has been attached.
Positive Incentives		Positive incentives will be utilized, and known by the workers.	Attendance bonus of Rs.100 for full attendance during the month.	Review of Payroll records				
Overtime Limitations	By law, overtime is restricted to 2 hours per day, 12 hours per week (6 days) and 50 hours per quarter (3 months)	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 1 day off in every 7 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.	Time records are inaccurate; hence, actual hours of overtime cannot be determined. Records of instances of workers working overtime beyond the legal ceiling of 50 hours per quarter and on rest days are not available.	Interview with employees and review of production related records.		All regular and OT hours worked must be recorded on the same timekeeping system and records must be made available.		Oct 2003: The factory has installed new software that records the complete work time of an employee. This new software accounts the work done on Sundays, as well as other holidays. Copy of the same attached.
Reduce Mandated OT		The employer will demonstrate a commitment to reduce mandated overtime and to enact a voluntary overtime system to meet unforeseen situations.	This can only be determined and addressed effectively after implementing an accurate and factual time recording process.			All regular and OT hours worked must be recorded on the same timekeeping system and records must be made available.		Oct 2003: The factory has installed new software that records the complete work time of an employee. This new software accounts the work done on Sundays, as well as other holidays. Copy of the same attached.
Explanation of Continued Required OT		If the employer repeatedly requires overtime in order to respond to the same situation, the employer will explain why it will not have sufficient staff on hand to avoid the necessity of overtime.	Overtime records need to be correctly maintained in order to monitor requirement of overtime for the same situation.			All regular and OT hours worked must be recorded on the same timekeeping system and records must be made available.		Oct 2003: The factory has installed new software that records the complete work time of an employee.
Overtime Explanation		Employers shall be able to provide explanation for all periods when the extraordinary business circumstances exception has been used. Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances.	The system of implementing and maintaining proper time records needs to be put in place.			All regular and OT hours worked must be recorded on the same timekeeping system and records must be made available.		Oct 2003: The factory has installed new software that records the complete work time of an employee.
Other			Instances of factory having worked on rest days noticed. This, however, does not reflect on time and attendance records. As a practice, factory does not use the time clock when it works on rest days. There are no pay records available to verify if workers have been compensated for work done on rest days. Instance of workers working continuously for 12 days without a day of rest noticed. By law, workers cannot work more than 10 days consecutively.	Review of attendance records and interview with employees.		All regular and OT hours worked must be recorded on the same timekeeping system and records must be made available. Factory must provide workers 1 day off in 7.		Oct 2003: The factory has installed new software that records the complete work time of an employee. This new software accounts the work done on Sundays, as well as other holidays. Copy of the same attached.
10. Overtime Compensation								

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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.								
OT Breaks	By law, workers must be provided a break of at least half an hour within every 5 hours of continuous work.	Employers will ensure reasonable meal and rest breaks, which at a minimum, must comply with local laws.	Proper time records are not available to review overtime hours of work and breaks.	Workers during interview stated a meal break was provided if they worked late		All regular and OT hours worked must be recorded on the same timekeeping system and records must be made available.		Oct 2003: The factory has installed new software that records the complete work time of an employee. This new software accounts the work done on Sundays, as well as other holidays. Copy of the same attached.
Accurate Recording of OT Hours Worked?		Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work.	This is difficult to determine as time records do not reflect actual overtime hours worked. At times factory also adjusts overtime hours against regular hours whenever they go through a lean run. This is incorrect and also workers are deprived of the premium wage they are entitled to earn whenever they work overtime.	Interview with employees		All regular and OT hours worked must be recorded on the same timekeeping system and records must be made available.		Oct 2003: The factory has installed new software that records the complete work time of an employee. This new software accounts the work done on Sundays, as well as other holidays. Copy of the same attached.
OT Compensation	Twice the ordinary rate of wages	The factory shall comply with applicable law for premium rates for overtime compensation.	(1) Electricians have been designated as "staff" and are being compensated for overtime hours worked at 1 time the wage rate. As per law, these electricians should be compensated at double the wage rate as they are workmen. (2) Overtime pay records are inaccurate. Records only show payments made for overtime worked within legal ceiling of 50 hours per quarter. For overtime worked beyond this ceiling payments are made through vouchers, which were not made available for review.	Interview with employees and review of related records		Electricians should be paid according to the legal benchmarks for all regular and OT hours.		Oct 2003: (1) Electricians: Factory has given a confirmation that "With immediate effect, we will arrange for shift system of duties, if by any chance OT is done, it will be paid on the basis of double the wages". (2) Factory has installed new software that records the complete work time of an employee. This new software accounts the work done on Sundays, as well as other holidays.
Other - Security Guards	Per law 1 day off is to be given per work week of 7 days. Regular working hours cannot exceed 9 per day or 48 in a week of 6 working days and the legal minimum wage must be paid .		Factory employees security guards through an external agency. The guards work a 12 hour shift, 7 days a week. They are paid less than the legal minimum wage and all legal benefits are not extended to the guards except the benefit of Provident Fund, which is calculated on a base wage which is less than half minimum wage, thereby depriving them of substantial retirement earnings.	Interview with Security Guards posted at the Factory.		Factory must pay the security guards according to the legal minimum wage and they must receive legally mandated benefits.	We have taken up case with security agency (copy attached).	Oct 2003: Security guard's contractor has given a letter of confirmation confirming payment of minimum wages for their security guards along with mandatory benefits. April 2004 Update: PC has done a follow-up check with the security guards on this issue. Security guards' wages have remained unchanged. Factory committed to resolving this issue by May 2004. PC to do a follow-up status check in May/June 2004 to check on completion.
11. Miscellaneous								
					Cultural activities, sporting events and religious functions with active participation by workers and management.			
					Supervisory training in management techniques is held periodically.			

Documentation
See photo on factory's posting in local language.
An English version of the revised appointment letter copy is attached. Refer to docs "Revised Appointment letter" and "Letter of confirmation".

Documentation
Refer to document "minimum wages for the security guards and appointment of female security."
All corrected findings have photo documentation attached.

Documentation	
<p>(1) Refer to photo documentation, cutting; (2) Refer doc, emergency light purchase bill. (3) Sewing hall-side aisles unblocked; (4) Refer to photo documentation, sewing operators- bins removed and photo doc, on 1 section passages unblocked; (5) Refer to photo documentation, sewing hall- concrete pillars and photo, side aisles unblocked; (6) Refer to photo documentation, sewing hall- aisle space; (7) Refer photo doc, 3rd exit at sewing hall, (8) Refer doc, correct evacuation signs; (9) Refer photo doc, correct evacuation signs; (10) Sewing halls, evacuation plan; (11) Refer photo doc finishing dept, exits unblocked and photo doc on finishing department, 3rd exit; (12) Refer to photo documentation, embroidery exit marked.;(13) Refer photo doc exit in accessory stores; (14) Refer correct direction evacuation signs; (15) Finishing and packing section marked towards exit.</p>	
1. Refer to photo documentation: First Aid Boxes, 3. Refer photo documentation: Additional Fire Extinguisher, also fire extinguisher-purchase bill.	
Refer to photo documentation: Overlock machine operator.	
See photo documentation: MSDS at stain removing section.	
1. Refer to photo documentation, vertical cutter; 2. Refer photo documentation, lighting at needle point.	
1. Refer to photo documentation, needle guards 2. Sewing machine guard.	

Documentation
1. Refer to photo doc, toilets - hand wash facility. 2. Refer photo documentation, additional toilets. 3. Refer to photo documentation, male toilet. 4. Refer to photo documentation overhang at canteen.
Refer to photo documentation: Revised Appointment Letter and mandatory benefits training, progressive wage increase in personnel file.
Refer to photo documentation of QI for last 3 months named QI, software update, holiday worked.
Refer photo doc of QI for last 3 months named QI, software update, holiday worked. Also, refer to QI doc July Cash Advance (QI), August Cash Advance (QI) and September QI.

Documentation
Refer to photo documentation of QI for last 3 months named QI, software update, holiday worked.
Refer to photo documentation of QI for last 3 months named QI, software update, holiday worked.
Refer to documentation of voluntary signature for OT.
Refer to photo documentation of QI for last 3 months named QI, software update, holiday worked.
Refer to photo documentation of QI for last 3 months named QI, software update, holiday worked.
Refer photo doc of QI for last 3 months named QI, software update, holiday worked.
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