FLA Audit Profile

Country Madagascar

Factory name 120045414E

IEM T GROUP SOLUTIONS PVT. LTD

Date(s) in facility Dec 5,6,7& 8, 2006

PC(s) Reebok

Number of workers 2006

Product(s) Knit T-shirts, Sportswear, Polo Shirts, Intimate wear & Lingerie

Production processes Cut to pack, Embroidery, Printing and Washing

FLA Code/ Compliance Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of In Noncompliance corre	not Documentation used for	able Features plemented by Factory nagement or Company PC Interr audit findings (Optional	PC Remediation plan	Target Factory Completi Response on Date (Optional)	Company follow up (October 15, 2007)	Documentation	[Status] Completed; Pending; Ongoing	Updates Company Follow up (Dec 12-13, 2007 and April, 2008)		[Status] Update: Completed; Pending; Ongoing (June 18, 2009)	Documentation Complete Pendin Ongoin	ed;	Company Verification [Status] Company Verification Company Follow up (Cite date of planned or follow up visit, if appropriate)	Documentation
	FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	Reebok COC poster is not posted in the facility. As per the management, they have been requesting for the CODE poster from REEBOK but have not received it as yet	er i	/isual inspection and nterview with the incriming/lanagement.			PC is currently re-issuing Workplace Standards to factories along with open letter to workers. Once factories receive n workplace standards, they are required to provide training to al workers (including supervisors and managers) on workplace standards.	ew	-2. Document review shows that factory has posted the open lette ne canteen and review on training record shows that factory has conducted training on the workplace standards for employee on Aug 0'07. To be verified on factory's visit.	canteen. Doc 2:Training records (training	be verified on have 0 factory visit Englis	ctory walkthrough confirmed that all 3 buildings in factorie Open Letter posted and visible in Local language and in sh. 2) Training on Workplace Standards have been ucted for employees.	es Document 1) Picture of doc posted 2) Documentation on training conducted	Completed				
awareness of Code	FLA Principle of Monitoring, Obligation of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place in the local languages spoken by employees and managers) an undertake other efforts to educate employees about the standards on a regular basis.		ate I	nterview with Management and Vorkers			PC is currently re-issuing Workplace Standards to factories along with open letter to workers. Once factories receive n workplace standards, they are required to provide training to al workers (including supervisors and managers) on workplace standards.	ew e	-2. Document review shows that factory has posted the open letter ne canteen and review on training record shows that factory has conducted training on the workplace standards for employee on Aug 0'07. To be verified on factory's visit.	canteen. Doc 2: Training records		factories have provided training in different departments of orkplace Standards elements.	Document : 0 Documentation of meetings held, training sessions with employee signature who attended	Completed				
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 the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	There is no secure and confidential channel of communication for workers to report issues of noncompliance.	i	risual inspection and nterview with the rincriming incriming anagement and vorkers			1. Factory to develop mechanism & channel for workers to cogrievance, feedback or complaints with guaranteed on confide and no retaliation, and mechanism should include protocol to communicate the follow up back to workers. 2. Designate accountable person to monitor the implementation This mechato be communicated to all workers. 3. PC is currently sending "open letter to workers" to all factories. PC's will be required to the open letter to workers in the factory. Such letter will include update on the merge of this PC with another PC, information on new workplace standards, and will also included contact inform where workers may contact PC to report grievances/noncompliances.	ntiality anism b post e an n the nation	-2. Document review shows that in July 17, 2007 factory has deven a written procedure (in French) regarding 4 options for channel of communication with management: (a) Direct communication with far anager, (b) Through the workers' delegate, (c) A letter through the suggestion box which can only be opened by the factory manager, (dis/her immediate senior officer. In either option, it will be registered by book and all cases will be dealt in confidentiality and no retaliation compliance officer will follow up and communicate remediation plantaction taken. No update yet on training for workers on grievances procedure & channels. 3. Open letter in local language has been position canteen and review document shows that training has been conduct training grievance channel by December 31, 2007.	procedures and information and compliance officer responsible for follow up. Doc 3A copy of suggestion box. (d) I in a in. The in and instead lucted	for wo guarar box ins has ac each r neede training mecha	occument review shows that factory has developed a char orkers to convey grievance, feedback or complaints with anteed confidentiality and no retaliation through suggestion installed in the toilets for workers to use. 2. Factory managed access to box, and letters are discussed in a delegation month with results that are published on notice boards if ed 3. Factory has posted open letter in local languages and has been conducted for workers. Factory to complete manism that include protocol to communicate the follow up to workers. Factory to complete by June 30 2008	and documentation of letters and there contents discussed in recorded minutes of meetings held. Photo attached of box	Pending. Document review, site tour and worker interconfirmed that follow up mechanisms for vigrievances received through the suggestion (including anonymous letters) have been on Responses and follow ups of workers' gried posted on notice board in order to provide back to the workers.	orkers box & letter addressing grievance and vances are response back to			
Employment Records	o demonstrate and verify compliance with this Code provision	ds 1.Personnel files of outsourced employees (11 security guards and 4 canteen workers are not maintained in the facility). 2. CNAPS letter providing social security number and Annual Medical check records are not filed in some files. 3. Employme applications are missing from most files	i I	Review of records and Finding incriming finding incriming final fi			1) Factory to maintain personnel files for entire workforce, including outsourced employees. 2) Factory to maintain all documents employment for entire workforce including outsourced employe (working hours/payroll records, social security & mandatory be records) 3) Factory to maintain job application for all employeed under personnel file.	of pes nefit s	-3. Document review shows that factory has received letter dated august 6'07 from the security agency introducing the security guard allocated to factory as well as a data of security guard employment ecord/ID picture. Each employee has a complete file inclusive of security card, medical record and employment application. To be very factory visit.	company. Doc 5: Example of an ID with details of security guard as well as external caterer. Docs 6 to 16 represent	be verified on factory visit outsou the panot yet pay sli	orkers profiles and attendance registry is available for rity and canteen workers that have been hired by burcing company. However, factory has no direct access ayroll records yet thus the compliance on wage issues an et verified. Factory to maintain copy of salary payment (e. lip) of outsourced workers in facility. 2-3. Pending. Factomplete by June 30 2008	re g.	Pending 1. Factory has hired security guards as int employee, all related documents are availated personal files, benefit, proof of age, employ Factory has document for outsourced can workers., but not payroll records, therefore still missing. Employment applications are personnel files.	ble for slips, proof of age. ment letter. een these are			
No person will be employed at an age younger than 15 (or 14 than the age for completing compulsory education in the course. 4. Harassment or Abuse	where the law of the country of manufacture allows) or younge ntry of manufacture where such age is higher than 15.	er e																
Disciplinary Practices	Employers will provide training to managers and supervisors in appropriate disciplinary practices	Supervisors in appropriate disciplinary practices.		nterview with Finding //anagement incrimin	ating		Factory to conduct training on policy and procedure on discipling measure for supervisors. Training records to be documented.		Oocument review shows that factory issued written memos for supervisors on Non Harassment policy. Memo was provided to local on April 24'07 in local language, and to expats on August 1'07 in Engalist of signatures from supervisors indicating knowledge of receipt also reviewed. Yet, there is no specific procedure on disciplinary measure as well as evidence on training. Factory to develop specific procedure for disciplinary measure and training for supervisors by December 31'07.	records of training provided to floor managers regarding these policies.	performand had 16, 20 program is be acception disciplation with the conduction of th	training programs on disciplinary measure have been rmed. Factory Union performed the training on disciplinal parassment policies. Trainings took place between Augus 007 and September 09, 2007. Topics, according to training am covered all points on the factory's policy e.g ehavior versus discipline for the action, severity, steps of ptable disciplinary action and on acceptable attitude during oline. 2. Training records are available for supervisors and anager trainings. Training should be mainly arranged and ucted by factory, union can conduct training under their hall program to support factory's training. Factory to conduct training by Sept 30, 2008.	sessions available and all signatures present at training sessions	foreman on non-harassment policy and di actions. It was confirmed during interviews supervisors had understood and received management internally.	sciplinary sessions available and all signatures			
Record Maintenance	aken. T	Records for disciplinary action taken in 2002 against 3 workers were not available for review		Interview with Finding Incriming Incriming	ating.		Factory to maintain written records of disciplinary actions taken workers.		Factory has provided example of meeting minutes for the hearing of employee prior to their dismissal, along with letter of dismissal. The completeness and fairness of record for all cases is to be verified direct factory visit.	held during the hearing of an employee prior to dismissal. Doc 20 is an example of a letter of dismissal (sample of case).	factory visit discipl persor docum discipl be inte that worker as the discipl	Iment review confirmed that all records are now available blinary action taken and are kept in a file copy in the work onnel files. A) As per disciplinary procedure, it is stated a mented that more than one manager must attend and verblinary process and action. B) A dismissed worker could be reviewed or reached, however the files of 3 of the worker were interviewed had records of written warnings inside. Be stated that the disciplinary procedure is fair and correctly agreed they were in the wrong and understood the interviewed had received.	ers' facility nd rify not rs All 3 ct ernal	Pending Factory has established a compliance con				
	Employers will prohibit screaming, threatening, or demeaning verbal language		they are scared to approach the Management or the supervisors who are expats, with any issue. They stated that these ex-pats shout at them and demand extra work during shipments. Hence these workers can only approach the representatives of the unions.	nterview with workers Did not with Ma on required workers	nagement est of		 1) Factory to develop grievance channel that allows workers to actively send their grievances to management in a confidential manner and in return management can provide a response or up on any issue reported. 2) Factory to develop non harassment policy and procedure the includes a protocol for reporting any harassment and investigation management to follow up. Designate accountable person to implement the policy 3) Factory to conduct training on Non harassment policy and procedure to all employees, including supervisors, managers, workers. 	follow at tion	Per factory document review, factory management has established prievance reporting procedure 2) Non-harassment policy (but no procedure to investigate reports received. 3) Document record show ignature list on policy acknowledgement by management team and raining record. Factory to complete the pending action by December 2007.	to report any harassment. Doc 18 are records of training provided to floor managers on these policies.	reporti The fo Line si Directe meetir to wor grieval drafted harass Docum acknot	d on documentation review during audit visit, 1) grievance ting procedure is completed. ollowing communication channels are available: Workersupervisor; Line Manager- Factory Manager; HR manage stor - Delegation during each worker-management monthing, and suggestion box which is opened weekly. Accordingly, and suggestion box which is opened weekly. Accordingly however, no procedure to investigate received as ment/abuse grievance reports has been completed. 3) ament record shows signature list on policy by by by management team and training recording: Factory to create a grievance investigation system. By to complete by June 30 2008	for employees to report any harassment. Doc 18 are records of training provided to floor managers on these policies.	follow up and to conduct all investigations of from employee that are submitted either the delegates, employee representative meeting suggestion box. All grievances are address compliance committee monthly meetings, investigate the issues and communicate the to workers through delegates or written no board. Verified by records of meeting revieinterviews as well as grievance forms proving the province of the pro	for employees to report any harassment. Doc ed at the who then e result back lice on notice w and worker for employees to report any harassment. Doc 18 are records of training provided to floor managers on these policies.			
	Employers will not unreasonably restrain freedom of movement of workers, including movement in canteen, during breaks, using oilets, accessing water, or to access necessary medical attention			nterview with Finding Incriming Incrimina Incr			The story to change the toilet access system that allows work access toilet at any time needed without any restriction. Communicate the procedure to all workers, including manager supervisors, and workers.	s,	-2. Per factory document review, factory has issued written notice communication to all employees regarding unrestricted access to to factory sent attendance list record as evidence of training. This is to rerified on factory visit.	oilet. regarding unrestricted access to toilet.		ter interviews confirmed that the toilet pass system has be shed and workers now can go to toilet anytime	een worker interviews	Completed				
5. Nondiscrimination 6. Health and Safety Employers will provide a safe and healthy working environment with, or occurring in the course of work or as a result of the course of work or as a result	ent to prevent accidents and injury to health arising out of, linked peration of employer facilities						Supervisors, and workers.		erined orr ractory visit.									
Accessibility Madagascar, Article 110	All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local anguage or language spoken by majority of the workers if different from the local language			/isual inspection Finding incriming	ating		1) Factory to post MSDS in local languages for all chemicals uproduction 2) Factory to set procedure on chemical handling the include requirement to obtain MSDS, posting MSDS in local language & provide training on MSDS & chemical usage for words. 1) Factory to provide & post evacuation plan in prominent place.	orkers.	Per factory documentation: 1) MSDS are posted in local languages notice board along with sample of version in Malagasy of MSDS; in addition copy of attendance list for MSDS training was provided by the actory. 2) No evidence that factory has set procedures on chemical andling that include requirement to obtain MSDS, posting MSDS in anguage & provides training on MSDS & chemical usage for worker was provided. Factory to complete the pending action by December Per factory documentation pictures of the following remediation was	board. Doc 23 are translated version in Malagasy of MSDS. Doc 24 is the training records. local rs r 31'07	posted worked written written this ar outsou verify o	actory walkthrough it was observed that 1. all MSDS were ad in local language; correct training has been provided to ers working with chemicals. 2. Factory has developed an procedure on chemical handling - The factory provided an policy on chemical handling and safety, and all workers area have been provided with correct training by an ourced company hired to conduct training. SEA Team to be content of chemical safety procedures.	and worker interviews a a s in	safety procedure. During factory audit, no lead to the chemicals were observed on site. All screen inks are now water based as per Adidas results.	n printing interviews	d.		
Madagascar - Article :120, 122,123	evacuation (such as posting of evacuation plans, unblocked	prominent places 2 . Aisle and evacuation route markings have faded in most work areas. As per the management these are repainted every year end. Hence the repainting is due now when	Employees are trained in handling Fire Extinguishers, only 9 employees out of 2125 employees are trained in first aid				have it visible for all workers 2) Factory to re-do the factory lay marking that define clearly the working areas & emergency rou Factory to install battery powered emergency light charged permanently (number and spacing sufficient to provide at least 4) Factory to conduct regular inspection on fire safety facility (emergency lighting tested monthly, illuminated exits, fire extinguisher checked monthly, hydrant, alarm system checked 3 months) and maintain records on monitoring result. 5) Factoreview all exit doors and adjust all units to be opened outwards	out te 3) 1 lux) every ry to	provided by the factory: 1) Posting of the evacuation map in productive; 2) Picture of layout markings and emergency route direction the lefine working areas and emergency route 3) Picture of emergency battery powered) now installed in emergency exits/routes; 4) Yet, the sign of evidence of regular inspection of fire safety facility (emergency ghting tested monthly, illuminated exits, fire extinguisher checked monthly, hydrant, alarm system checked every 3 months) or copy of ecords on monitoring result. 5) Also, there is no evidence of actions taken to review all exit doors and adjust all units so they open outward actory to complete the pending issues on point 4) and 5) by Dec 3 2007.	Doc 26/27: pictures of layout markings and emergency route direction. Doc 28: Picture of emergency lights (battery powered). of seconds.	2. Lay clear. 3. Em Howevecces 4. Faccinspec	ayout has been improved and emergency route is visible. The factory have repainted and marked these aisles. In ergency lights have been installed in emergency exits. Ever, emergency lights are missing from staircase from the ssories section to the storage. Eactory have conducted regular self assessment and exition of fire fighting equipment on a quarterly basis. exit doors opening outwards	and inspections					
		6.The Heat transfer Label section in [Factory name]s II, we very congested. The rear aisle is very narrow and there was not adequate space for exit in case of emergency.7. There is only 1 Exit provided from the Heat transfer Label section.8. While access to passage for workers in this area on one side was narrow, the other side was blocked with a sack containing garments and a low hanging electric cable, thus obstructing easy evacuation.9. Aisles in the heat transfer label section in [Factory name] II, were blocked with bins and stools.10. In the sewing section in [Factory name] II, a shirt was seen hung over the evacuation plan.	de				6 - 9) Factory to adjust lay out in production areas with following condition for aisles, corridors, emergency escape routes and width of aisles > 1.1 m, unobstructed, distance to nearest exit m, head room > 2m (free vertical area from floor), all aisles & emergency exits must be non slippery. 10) evacuation plan shippers be posted free from obstruction & visible to all workers.	exits : < 60	Per documentation review, factory has established new area for hear ansfer process. Review of the factory update (picture) shows that neat transfer area aisles are unobstructed, with clear marking between the station and evacuation routes. SEA Team to verify during number in the factory aisles, corridors, emergency escape routes are in compliance with local and SEA standards.	t new heat transfer dept.	be verified on buildin	actory have moved the whole heat transfer area to the ne ng factory 3, and there was no congestion or narrow aisl rved. All correct procedures and plans posted in the new	les inspections	Completed				
		11.Few instances of 2 workers working in the same work station noticed in the trimming section near sewing area in [Factory name] II thus resulting in the worker on the inner side having no access to the passage.12.Packed cartons were seen stored on rear evacuation route piled up high, the sewing area in [Factory name] II. This is dangerous ar could injure sewing operators working adjacent to the ais incase these cartons fall.13.Access to passages for some sewing operators was blocked with bins containing garments.14.Evacuation routes and aisles are not marked in the Printing section. The management stated that they are in the process of re aligning the tables and would mar the aisles and evacuation routes once the tables have been re-located.	in r , in and sle				11) Factory to provide access to each individual workers that from obstruction, each workstation should have an acceptable clearance leads to emergency exit. 12-14) Factory to adjust la in production areas with following condition for a) aisles, corrice emergency escape routes and exits: width of aisles > 1.1 m, unobstructed, b) distance to nearest exit < 60 m, head room > (free vertical area from floor), all aisles & emergency exits must non slippery. 3) Evacuation plan should be posted free from obstruction & visible for workers.	y out lors, 2m	No evidence of any actions taken - Factory has proposed to extend meline for November '07		workst free 1 emerg conge moved plan at Althou in a ve slightly obstru evacua	tue to the factory re-planning areas, all workers at stations have access to aisles and are working obstructions. Factory has proper maintenance of aisles/workstation gency exits. 13. Per factory walkthrough, that there was estion or narrow aisles observed as heat transfer has been to new area which has reduced congestion. Evacuation are posted free from obstruction & visible for workers. 14 tugh the factory has evacuation map posted it was not powerly acceptable area. The factory was instructed to move ly higher to be visible and not in an area where it can be ucted, as they had it at time of audit. Factory to post the uation plan free from obstruction and visible for workers -30 2008	ns, eno en on sted e it	Pending Means of escape are sufficiently available, are corrected with required widths. However aisless are found obstructed and cluttered name], workers found to be blocked inside with excessive work in progress which are high in both work areas and aisles. Poor cannot no control with no designated areas as leads to congested workplace and blocked	er, some n [building workstations stacked too arton stacking signed that			
Madagascar-Article :120	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.Locations where fire extinguishers are installed are not marked, so that they are easily located from a distance. 2. There are no procedures posted that deal with first aid. 3. Scissors, band-aid, and sterilized gloves were missing from the first aid box provide in the stores. 4. Eye wash station is not provided in the Laundry	o I, ded	/isual inspection Finding incrimin	ating all First acts by signal attemplates	rm is installed on st Aid kits which oth as a warning should anyone of to steal and Supervisors in the of access during ary.	1) Install fire extinguisher with following guidelines: A) Number extinguisher and mark area around it to ensure that such is no obstructed. B). Provide and post instruction in local language each extinguisher post. 2) Establish procedure on first aid & designate accountable person to monitor that the first aid kits properly stocked, are inspected monthly, are properly located, sufficient (1 unit for every 100 employees, nature & distribution workforce should be considered), are unlocked & accessible, or	are and of the clearly	Per documentation review: 1) Pictures of unblocked fire extinguisher already numbered with local language and with instructions on how were provided2-3) a picture of the full list of first aid items which a bund in first aid box was also provided. Factory has not established procedure for first aid & not it has designated an accountable personantior that the first aid kits are following the requirement. Factory from plete the pending action by December 31'07 4) In addition to pin feye wash station.	to use extinguisher already numbered with local language on how to use fire extinguisher and also with clear marked area to ensure no obstruction.Doc 29 is a picture of the full list of first aid items which are found in	posted persor of con station	fire extinguishers are now marked and numbered and ed with procedures. 2. All first aid kits have designated on along with posted procedures, all first aid kits have a lintents inside and gets checked on a regular basis. Eyewons have been installed, however not all of them have visinge above for to identification	inspection ist ash	 Only one eye wash station observed at the audit. The eyewash station was maint state and is used to wash hands, etc. First aid boxes have a contents list attact of the box, however, during site tour it was the first aid boxes were poorly stocked as bandages. Factory needs to complete rer 	the time of inspection inspection hed to inside found that that no			
							marked, with inspection tag & protected against dust & water Provide complete first aid kit with 20 individually wrapped steril adhesive dressing, 6 medium sized individually wrapped sterile dressing, gauze bandage, individually wrapped sterile triangula bandage, pair of scissors, safety pins, latex glove (disposable) sterile eye pads 4) Provide emergency eye wash station wher chemicals are used that is reachable within 30m of the work sterile triangulary triangulary triangulary triangulary triangulary triangulary triangulary.	e e ar e						eye wash station and first aid boxes.				
Madagascar Article 113	gloves, eye protection, hearing protection, respiratory protection,	1.Band knife operator was using mesh gloves only on one hand instead of both hands. 2.Most over lock machine operators wer not using respiratory masks to prevent them from breathing in floating fabric dust particles.	ere	/isual inspection Finding incriming			1) Factory to set procedure for band knife cutting machine, PP (mesh gloves) should be provided for 2 hands 2) Factory to conduct measurement on dust in working station, if the dust concentration is exceeding the limit, factory to provide measur minimize dust exposure to workers either through improving ail ventilation (dust control system) or providing mask for workers	e to	Per factory documentation, workers are using PPE (mesh gloves & nask) - Bandknife operators use mesh gloves with both hands and protective masks have been provided to employees in cutting dept. There is no evidence that factory has completed the following actions factory to set procedure for band knife cutting machine, PPE (mesh gloves) should be provided for 2 hands 2) Factory to conduct measurement on dust in working station, if the dust concentration is exceeding the limit, factory must provide measure to minimize dust exposure to workers either through improving air ventilation (dust concentration by December 31'07	hands when operating band knife. Doc Yet, s 1) h and a when operating band knife. Doc 33: Protective masks used in cutting dept and a cutting dep	gloves masks 2. Fac measu is exce dust e	er factory walkthrough, worker using band knife was using some in both hands. All workers have been provided with its, and were found wearing them. It is not conducted air quality test. Factory to conduct the surement on dust in working station, if the dust concentrate ceeding the limit, factory to provide measure to minimize exposure to workers either through improving air ventilation control system) or providing mask for workers - by the sumber 30 2008	ct	Pending The factory has not conducted a measurer concentration but has provided all workers room, and overlock operators and cleaners masks. All workers were found to be wear time of site tour.	in cutting with dust			

			IEM Findings Evidence of	If not Sources/	Notable Features implemented by		Target F	Remediation Factory	[Status]		[Status]	Updates	[Status] Completed;	Third-Party Verification	[Status] Company Veri Company Follow up (Cite date of	v
FLA Code/ Compliance issue Country Law/Legal Reference Ventilation/Electrical/facility Code of Work -	All ventilation, plumbing, electrical, and lighting services shall be	Noncompliance De 1.Most work areas did not have adequate ventilation and were		roborated, used for corroborating ing was	Factory Management or Company audit findings (Optional)	Pactory to provide more air ventilation that provides adequate	Completi on Date (C	(October 15, 2007) No evidence of any actions being taken - factory proposed to extend	Documentation Pending; Ongoing Pending	Company Follow up (Dec 12-13, 2007 and April, 2008) 1. 30 new extractor fans have been installed to provide additional visual inspe	Pending; Ongoing ction - Pending		Documentation Pending; Ongoing visual inspection - Pending	External Verification Docume	Pentation Pending; planned or follow up visit, if appropriate)	Documentation
maintenance Madagascar-Article 113,114, 120	provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility	uncomfortable with temperatures being ranging from 86 to 93 degrees F.2.Lighting is inadequate in all work areas ranging between 82 to 385 lux.3.Lint accumulation was noticed on most electrical installations 4. Loose Electrical wires were noticed close to worker's feet in the bundling section . 5.Few overhead electric wires had taped joints. 6.Electric cable connecting pressing-irons to the mains had taped joints.	incl	minating		ventilation & acceptable working temperature 2) Factory to improve lighting with following standards: > 500 lux for manufacturing areas, storage & warehouse; > 50 lux, aisles; > 50 lux, stairs; > 100 lux. 3) Factory to establish regular clean up and housekeeping maintenance, that include housekeeping on electrical facility 4 - 6) Conduct regular inspection on electrical facility (wiring, electrical panel, electrical connection) & improve any poor electrical facility, including any current taped/patched electrical cords/installations.	,) ee	timeline to the end of November '07		ventilation . 2. All lighting has been improved. The factory stated that all old lighting equipment has been replaced by new standard fluorescent lighting at all work stations, storage and warehouse areas. Lux (light) meter readings are as follows, production areas=495 to 512, warehouse= 48 to 63, stairs= no reading done. 3. Housekeeping and maintenance of electrical wiring in [Factory name] 1 and 2 have been improved as no lint accumulation was found on wiring, all areas are free of waste and thread accumulation. Proper maintenance of electrical wiring found, and no open wiring observed. All machinery wiring was also found well maintained and safe. However, [Factory name] 3 needs improvement: Electrical wiring out of conduit, electrical cables behind Laser area are in poor state, and in need of repair and not secure in conduit. Factory to complete improvement by April 30 2008. 4-6. Factory have conducted regular self assessment and inspection of fire fighting equipment and electrical maintenance on a quarterly basis regular basis.		1. Although new extractor fans have been installed, it was found during factory tour that none of them had been turned on, resulting screen-printing, [building name], and embroidery area to have poor ventilation. 2. Poor housekeeping found in the factory: (i) Fabric lint / dust on all wiring and piping and stagnant objects. [building name], boiler room and compressor rooms have poor electrical wiring & open wiring. (ii) Fire extinguisher found on the floor - mounting broken, one extinguisher signage is missing in the boiler room				
Machinery Maintenance Code of Work - Madagascar - Article 110, 120	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	1.Pedal mats, Needle guards and under motor pulley guards are missing from most machines. 2. Though tag guns have been marked, their use is not being personalized. Workers were seen using tag guns which did not have their name or employee number	inci	ing was minating		1) Factory to install safety guards for machine (e.g. needle guards & pulley guards for sewing machine) 2) Factory to post name of worker as user of each tag gun in finishing department.	December 31' 07	1-2. Per documentation review, photos provided by factory indicate that safety guards such as pedal mat, needle guard, eye guard and, pulley guard have been installed on sewing machine; tagging gun is numbered and name of user is labeled tagging guns. To be verified on factory visit on name.	of eye guard. Doc 36: Picture of be verified on uard. Doc 37: Picture of pulley factory visit	& pulley guards for sewing machine) photos	ction - Completed					
Sanitation in Facilities Code of Work - Madagascar-Article 115,117.		ens, 1.Most flushes were not working. 2.Doors on 3 stalls in the ladies toilets were broken or missing. 3.Foul odor was emanating at the Gent' toilets. 4.Outlets from Gent's toilets were seen blocked. 5.Though soap and towel were seen placed near the wash basin, there were no taps or water placed near the wash basins.6 Workers were noticed smoking inside the toilets.7Number of toilets for males is inadequate. There are 24 toilets for 669 male employees.8Cracks were noticed on the walls of the ladies toilets. Management was not sure if the walls were safe.9.Ventilation in the canteen was very poor	inc	ing was minating		1. Factory to fix all broken units of toilets 2) provide functioning door in each unit of toilet 3) Provide sufficient air ventilation to allow better air circulation 4) Fix all outlets from all toilets 5) provide running water on wash basins 6) establish non smoking policy that identify prohibited areas for smoking in factory to include toilets; communicate the policy to all employees 7) Review number of toilets compared with standards (6 units for 150 employees & 1 additional unit for each additional employee) & provide additional units as required 8) Review & fix construction of toilet building, and ensure that all walls are completely safe. 9) Improve ventilation facility in canteen to improve adequate air circulation.	r 31 2007 /	No evidence of any actions being taken by management. Factory management has proposed to extend the timeline for the end of November '07.	Pending	1. All units found fixed, others in Factory 1 are eastern toilets. 2. Each stall has been fitted with a door 3. Pending. No problem with air ventilation in female toilets, problem in male toilet found poor ventilation causing bad odor 4. All outlets are properly working 5. Wash basin were separate from drinking basins and were all with running water 6. Non- smoking policy established and all workers smoking were found at the designated outside smoke bin. 7. Sufficient toilets are now installed, with the new factory incorporated 8. Building are in acceptable state as no cracks in female restroom were observed. 9. No air ventilation problem was observed at time of audit in canteen. The factory management stated that they installed additional and more effective extractor fans in the area. Factory to complete by April 30 2008 for male toilet	ction - Pending	Factory walkthrough confirmed the following: 1. Toilets found to be in poor hygienic state - some toilets in female restrooms had seats missing, dustbins with missing or broken lids, leaking water on the floor, resulting in wet and muddy floor surfaces, bad odor in both female and male toilets, poor ventilation in both female and male toilets. 2. Canteen found to be in an acceptable hygienic state with good ventilation. all other above notes had been witnessed as acceptable. factory to complete the remediation on point 1.	visual inspection - Pending photos			
Sanitation in Dining Area Code of Work - Madagascar-Article 115	All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building.	1.Drinking water points have been provided outside the work areas adjacent to toilets along with the taps provided for hand wash. A water purifier has been installed on the same water pipe after leaving two taps for hand wash. So workers use the water which is purified for drinking purpose. However, some workers were seen drinking water from the hand wash taps as well.2.Drinking water points are not marked		ing was minating	Factory provides free lunch to all employees. While rice is cooked in the factory, all other accompaniments are procured from external caterers	1 & 2) Review the overall water supply for non drinking water & drinking water in factory; separate & identify the taps for non drinking water & drinking water, provide clear marking signs for each usage.		1 & 2) Factory update shows that there is no process to review the overall water supply for non drinking water & drinking water in factory, or to separate the taps for non drinking water & drinking water. In addition, document review shows that factory has posted notice in local language & French in the sinks that provide drinking water. Factory to complete the pending action by December 31'07	Pending	1. Drinking water basins and hand washing basins are separate and are in separate areas, with correct signage. The management do not need to ensure that workers do not drink from certain taps, as all water supplied is drinkable and supplied from the same source. During factory tour, it was noted that although notice boards are up and correct signage posted, the workers are free to use any of the water taps to fill their drinking bottles as all water is the same and from the same supply.	ction - Completed					
Worker Participation	Workers should be involved in planning for safety, including through worker safety committees	Factory does not have Health & Safety and Canteen committees		ing was minating.		Factory management must establish health & safety committee to establish, implement & monitor the compliance towards HSE requirement (SEA standards & local regulation)	December 31 2007	No evidence of any actions being taken by factory managementFactory has proposed to extend timeline for mid of November '07.	Pending	A health and safety committee has been established, and is recording meeting held. As per meeting minutes maintained, example of issues discussed at the meeting held on 29 November 2007 included toilets, complaint from one worker about hygiene in toilet, safety compliance issues from previous meeting, evacuation procedures to plan for next drill, etc.	d worker					
Other Code of Work - Madagascar-Article 112		1.Cartons filled with thread are stored in a hap-hazard manner near the stores.2.Some fabric bundles were seen lying on the floor in a haphazard manner near the storing racks in the fabric stores.	1 · · · · · · · · · · · · · · · · · · ·	ing was minating.		Pactory to manage production lay out and material/finished good storage in safe manner. Conduct internal monitoring on regular basis & designate accountable person for implementation.		1 & 2) Factory has sent photos illustrating that aisles in fabric storage in material warehouse is obstruction free. Additionally, aisles have been provided with painted aisles indicating emergency exits. Yet, there is no evidence of internal monitoring conducted on regular basis & that there is an accountable person designated for monitoring. Factory to complete this action by December 31, 2007.	54 & 55: Improvement on fabric Pending	1-2. Factory visit verified that all issues regarding the lay out are corrected and improved; production lay out and material/finished good storage is maintained in safe manner. Factory needs to establish record on internal monitoring conducted on a regular basis & the accountable person designated for monitoring. Factory to complete by June 30, 2008.	ction - Pending	unobstructed . Document review shows record of	minutes of			
	g employees' basic needs. Employers will pay employees, as a the prevailing industry wage, whichever is higher, and will provide Employers will pay workers the legal minimum wage or the	e			Factory provides advance of 25 % of											
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 entitle in that company and under the applicable law	ed	Few workers were not aware of the classification based on which wages were being paid. They were not aware of the notification posted on the main notice board.	Interview with Management	salary	Factory to conduct training on wage & benefit for worker's awareness that includes information on wage structure, wage calculation and other benefit.	December 31'07	provides workers explanations on the legal minimum wage, wage classification, requirement for payment of wages, weekly OT limits, and OT compensation. Documents also indicate the posting of the wage payout sheet explanation on notice board and attendance list of workers who received training on wage policies. To be verified on factory visit notice board. Ithe minimal calculation of the wage explanation of the wage of the w	on. Doc 50 shows the ion of the individual wage payout factory visit.	Per workers' interviews during audit, it was verified that the wage clerk, HR manager and personnel officer provided training on the legal minimum wage, wage classification, requirement for payment of wages, weekly OT limits, and OT compensation to workers.	provided Completed					
Payroll Reporting Time-recording system	Accurate and reliable payroll reporting, including pay stubs will provided Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate a reliable recording systems such as electronic swipe cards		Management Review of records and Fin	minating.		Factory to put date of payment on payroll document. Factory to retain working hour records and payroll document for outsourced employee from the agency	August 31'07 August 31'07	stub and payroll records. To be verified on factory visit. payment record w the right Per documentation review, factory is maintaining manual records of when Doc 42:	indicated. Doc 41 is the payroll be verified on factory visit. hand side of doc. Time roaster schedule of guards. Doc 43:Time record book	Document review during factory visit confirmed that factory is including the date on pay stub and payroll records. Factory management is only maintaining working hours records, and cannot provide copy of payroll as it is kept by the outsourced company. Factory to complete by June 30 2008.	provided Completed Pending	This is no longer the issue regarding security guards are now employees of the factory and no longer outsourced. therefore their records for payroll and pay slips were available as all other employees. However time records are not available for canteen workers (outsourced company).	records, payroll,			
Record Maintenance Legal benefits	All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. Employers will provide all legally mandated benefits to all eligible workers		Some workers stated that they do not get approval for leave requested in	ing was minating. not discuss Management equest of kers.		Factory to maintain accurate and reliable payroll document for employees from outsourced agency. This includes records of hours work, payroll, and all legally required benefits such as social security, vacation pay/leave. Factory to set clear procedure for taking leave, including leave on emergency condition, communicate the procedure to workers for their awareness.	y,	procedure (in French & Malagasy) on leave, including leave for emergency reasons. Procedure needs to be more detailed in explaining how, when and to whom worker should give leave application to. There is no evidence that procedure has been communicated to employee for	Pending So the written procedure for taking eluding leave for emergency	Factory management is only maintaining working hours records, and cannot provide copy of payroll as it is kept by the outsourced company. Factory to complete by June 30 2008. Factory walkthrough observed that leave procedures are posted for workers to understand, confirmed by workers interview. Per interviews, workers did not complain about having to wait an hour for leave during emergency situations.	entation	This is no longer an issue as the security guards are now employees of the factory and no longer outsourced. Therefore, their records on payroll and pay slips were available as all other employees. However, wage records are not available for outsourced canteen workers.	Pending			
Timely Payment of Benefits	defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc. Themployer will not hold any of these funds over from one pay period to the other unless the law specifies that deposits are to be made less frequently than pay periods (e.g., monthly deposite that the province of the control of	noticed. Payment for 2nd quarter of 2005 was paid on August 10, 2006, 3rd quarter of 2005 paid on August 25, 2006,4rth quarter of 2005 paid on Sept 29, 2006, 1st quarter of 2006 paid on Oct 27,	or two, before letting them go. Review of records and interview with Management Management	ing was minating.		Factory to settle all pending payment on social security and proceed regular payment on timely manner. Factory has been given until December 31st to make all pending payments to social security. Should factory fail to do so, PC will be forced to implement Enforcement Policies which could potentially terminate business relationship with Factory.		their awareness. Factory to complete the procedure and communicate it to workers by December 31, 2007. Per documentation review, copy of social security payments for the 2nd quarter of 2007 (dated August 6, 2007). No evidence of payment for other pending period. Factory to proceed with payment for other pending period by December 31.	Payment receipt for 2 nd quarter Pending	Factory has completed the payment of previously pending payment on their contribution on CNAPS (social insurance) for 1st, 2nd and 3rd quarter of 2005&2006. Document review shows that payments were made and are up to date. Last payment received - Oct 31, 2007.	Ongoing	All CNAPS and OSTIE accounts for 1st term 2009 and 4th term 2008 are up to date and all correct payments were made.	Photo report Completed			
hours per week and 12 hours overtime or (b) the limits on	rees will (i) not be required to work more than the lesser of (a) 48 in regular and overtime hours allowed by the law of the country of simit the hours of work, the regular work week in such country plus in every seven day period															
Overtime Limitations	(i) not be required to work more than the lesser of (a) 48 hours	ork,		ing was minating.		1) Establish company policy on working hours that: A) defines regular working hours for all departments; B) Guarantees on providing one day off in a seven day period C) A policy for self recording of time in & time out for each workers individually; working hours should be within 60 hours/week or following local regulation whichever is higher. 2) Working hours policy should be clearly communicated to all employees. 3) Establish working hours internal monitoring on a regular basis to ensure working hours are within legal limit.		maximum number of OT hours allowed weekly; in addition to the payment policy guaranteed calculation for OT, and procedures for monitoring the numbers of	hedule for each dept and also	1) Documentation review and workers interview confirmed that factory has established a policy that defines A) The normal working hours for each dept, and the maximum number of OT hours allowed weekly; in addition to the payment calculation for OT, and procedures for monitoring the numbers of overtime worked by workers. B) A guaranteed day off paid by the company when an employee works for 7 consecutive days . 2) Training is conducted to employee on working hours policy and procedure 3) Factory has developed individual time record sheet which workers must sign agreeing to work on their day off. One copy is kept by the employee and the 2nd copy is kept by the factory. However, there is no clear hours of work tracking system to ensure that working hours do not surpass the legal limit. Working hours policy shows that security dept work for 12 hours/day on a regular basis. factory to complete by June 30 2008.		It was confirmed by worker interview that all overtime had to be signed for by line foreman, who then checks overtime limits at end of each week. Document review verified that Doc 45 was posted and workers are provided with this information on the induction day, also posted is the one day off in 7 policy. Maximum working hours for Security guards in one week was found to be 60 hours, the factory now rotates guards on shifts, therefore now eliminating the issue of 7 days a week. This was verified by worker interview and payroll check.	., . ,			
		2.Based on the overtime permission letter issued by the ministry of labor, factory can work the following hours of OT from Monday To Saturday, during the months from OCT 06 To Dec 06. Monday & Friday =0 hrs, Tuesday, Wednesday & Thursday = 4 hrs, Saturday = 8 hrs(8 am to 4 pm). This amounts to 3 days x 4 hrs each = 12 hrs and 1 day x 8 hrs. So the total amount of overtime is 20 hours. However, review of time records for Oct 06 reveal that workers in the finishing department have worked 6 hrs OT on Monday, 2 hrs OT on Tuesday, 1.5 hrs OT on Wednesday, 2 hrs each on Thursday and Friday and 7.5 hrs on Saturday. This amounts to a total of 21 hrs overtime during the week with overtime on all days worked. (Regular work-week is Monday through Friday @ 8 hours per day = 40 hours)				1) Establish company policy on working hours that: A) defines regular working hours for all departments; B) Guarantees on providing one day off in a seven day period C) A policy for self recording of time in & time out for each workers individually; working hours should be within 60 hours/week or following local regulation whichever is higher. 2) Working hours policy should be clearly communicated to all employees.	2007	maximum number of OT hours allowed weekly; in addition to the payment policy gual calculation for OT, and procedures for monitoring the numbers of company	hedule for each dept and also	1) Documentation review and workers interview confirmed that factory has established a policy that defines A) The normal working hours for each dept, and the maximum number of OT hours allowed weekly; in addition to the payment calculation for OT, and procedures for monitoring the numbers of overtime worked by workers. B) A guaranteed day off paid by the company when an employee works for 7 consecutive days . 2) Training is conducted to employee on working hours policy and procedure 3) Factory has developed individual time record sheet which workers must sign agreeing to work on their day off. One copy is kept by the employee and the 2nd copy is kept by the factory. However, there is no clear hours of work tracking system to ensure that working hours do not surpass the legal limit. Working hours policy shows that security dept work for 12 hours/day on a regular basis. factory to complete by June 30 2008.	Pending	It was confirmed by worker interview that all overtime had to be signed for by line foreman, who then checks overtime limits at end of each week. Document review it was verified that Doc 45 was posted and workers are provided with this information on the induction day, posted also the 1 day off in 7 policy. Maximum working hours for Security guards in one week was found to be 60 hours, the factory now rotate guards on shifts, therefore now eliminating the issue of 7 days a week. This was verified by worker interview and payroll check.				
		Instances also noticed where few workers have worked up to 29.5 hrs overtime in a week (6 hrs on Monday , Wednesday and Thursday , 2 hrs on Tuesday, 1.5 hrs on Friday and 8 hrs on Saturday.				1) Establish company policy on working hours that: A) defines regular working hours for all departments; B) Guarantees on providing one day off in a seven day period C) A policy for self recording of time in & time out for each workers individually; working hours should be within 60 hours/week or following local regulation whichever is higher. 2) Working hours policy should be clearly communicated to all employees.	2007	1) Documentation review shows that the factory has established a policy that defines A) The normal working hours for each dept, and the maximum number of OT hours allowed weekly; in addition to the payment calculation for OT, and procedures for monitoring the numbers of overtime worked by workers. B) A guaranteed day off paid by the company. When an employee works for 7 consecutive days consecutive explained. 2) No evidence of communication to employee on said policy and procedure	hedule for each dept and also laranteeing 1 day off paid by	1) Documentation review and workers interview confirmed that factory has established a policy that defines A) The normal working hours for each dept, and the maximum number of OT hours allowed weekly; in addition to the payment calculation for OT, and procedures for monitoring the numbers of overtime worked by workers. B) A guaranteed day off paid by the company when an employee works for 7 consecutive days. 2) Training is conducted to employee on working hours policy and procedure 3) Factory has developed individual time record sheet which workers must sign agreeing to work on their day off. One copy is kept by the employee and the 2nd copy is kept by the factory. However, there is no clear hours of work tracking system to ensure that working hours do not surpass the legal limit. Working hours policy shows that security dept work for 12 hours/day on a regular basis. factory to complete by June 30 2008.		It was confirmed by worker interview that all overtime had to be signed for by line foreman, who then checks overtime limits at end of each week. Document review it was verified that Doc 45 was posted and workers are provided with this information on the induction day, posted also the 1 day off in 7 policy. Maximum working hours for Security guards in one week was found to be 60 hours, the factory now rotate guards on shifts, therefore now eliminating the issue of 7 days a week. This was verified by worker interview and payroll check.	time records			
	k, employees will be compensated for overtime hours at such ufacture or, in those countries where such laws will not exist, at a ate.															

			IEM Findings					Remediation		[Status]	Updates	[Status]	Updates	[Status]	Third-Party Verifi	cation [Status] Company Verification Follow up
FLA Code/ Compliance Country Law/Leg Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance (uncorrobor	ance corroborated, explain why	Sources/ Documentation used for corroborating Notable Features implemented by Factory Management or Company	PC Internal audit findings (Optional) PC Remediation plan	Target Factory Completi Respons on Date (Optiona	Company follow up (October 15, 2007)	Documentation	Completed; Pending; Ongoing	Company Follow up (Dec 12-13, 2007 and April, 2008)	Documentation Completed Pending; Ongoing	Company Follow up (June 18, 2009)	Documentation Completed; Pending; Ongoing	External Verification	Documentation Completed; Documentation Pending; Ongoing Follow up (Cite date of planned or follow up visit, if appropriate)
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	1.Review of time records reveals that on numerous instances workers have not swiped out. As per the management, these workers forget to swipe at times. In such cases the worker approaches the personnel department and a manual entry is made in the time record. Based on this the, Compensation for all hours worked is calculated. Hence the time record can be tampered with and may not be reliable.	Review of record interview with Management	rds and Finding was incriminating		1) Establish company policy on working hours that: A) define regular working hours for all departments; B) Guarantees on providing one day off in a seven day period C) A policy for self recording of time in & time out for each workers individually; whours should be within 60 hours/week or following local regular whichever is higher. 2) Working hours policy should be clear communicated to all employees. 3) In the case that self record not conducted, a mechanism to provide back up records short provided with worker signature as acknowledgement.	2007 f vorking ation ly rding is	1) Documentation review shows that the factory has established a policy that defines A) The normal working hours for each dept, and the maximum number of OT hours allowed weekly; in addition to the payme calculation for OT, and procedures for monitoring the numbers of overtime worked by workers. B) A guaranteed day off paid by the company. When an employee works for 7 consecutive days consecutive explained. 2) No evidence of communication to employee on said policy and procedure 3) Factory has developed individual time record sheet which workers must sign agreeing to work on their day off. One copy is kept by the employee and the 2nd copy is kept by the factory. However there is no clear tracking system to ensure that working hours are within legal limit. Working hours policy shows that security dept work for 12 hours/day on a regular basis. Factory to review the action plan and complete entire remediation by December 31'07.	Work schedule for each dept and also policy guaranteeing 1 day off paid by company. Doc 47 is a an example of individual time record sheet.	fa v h C v v c F n tl tl	The continuent of the company of the	e	It was confirmed by worker interview that all overtime had to be signed for by line foreman, who then che overtime limits at end of each week. Document revit was verified that Doc 45 was posted and workers provided with this information on the induction day, posted also the 1 day off in 7 policy. Maximum work hours for Security guards in one week was found to 60 hours, the factory now rotate guards on shifts, therefore now eliminating the issue of 7 days a week. This was verified by worker interview and payroll chemical payroll of the control of the contr	time records iew are ing be		
		2.Review of time records reveals few instances where a worker in the finishing section, has started work at 2.30pm on a particular day and there is no exit time recorded. The same worker has logged in at 6.53 am the next day with no record of exit timing. On the third day the worker logged in at 14.27 hrs. There is no record of the Exit timing. Shifts are being changed without adequate rest between shifts 3.0vertime hours are not mentioned on Payroll records. Only the Overtime compensation is mentioned. However, Overtime hours and compensation are mentioned on the pay slip				1) Establish company policy on working hours that: A) define regular working hours for all departments; B) Guarantees on providing one day off in a seven day period C) A policy for self recording of time in & time out for each workers individually; v hours should be within 60 hours/week or following local regular whichever is higher. 2) Working hours policy should be clear communicated to all employees. 3) Maintain clear & consister records of all components of wage & OT wage calculation su including all overtime hours worked in pay slip & payroll docur	2007 f vorking ation ly nt ich as	1) Documentation review shows that the factory has established a policitat defines A) The normal working hours for each dept, and the maximum number of OT hours allowed weekly; in addition to the paymer calculation for OT, and procedures for monitoring the numbers of overtime worked by workers. B) A guaranteed day off paid by the company. When an employee works for 7 consecutive days consecutive explained. 2) No evidence of communication to employee on said policy and procedure 3) Factory has developed individual time record sheet which workers must sign agreeing to work on their day off. One copy is kept by the employee and the 2nd copy is kept by the factory. However there is no clear tracking system to ensure that working hours are within legal limit. Working hours policy shows that security dept work for 12 hours/day on a regular basis. Factory to review the action plan and complete entire remediation by December 31'07.	Work schedule for each dept and also policy guaranteeing 1 day off paid by company. Doc 47 is a an example of individual time record sheet.	fa v h C v v c F n tl E ir v	1) Documentation review and workers interview confirmed that factory has established a policy that defines A) The normal working hours for each dept, and the maximum number of OT hours allowed weekly; in addition to the payment calculation for DT, and procedures for monitoring the numbers of overtime worked by workers. B) A guaranteed day off paid by the company when an employee works for 7 consecutive days . 2) Training is conducted to employee on working hours policy and procedure 3 factory has developed individual time record sheet which workers must sign agreeing to work on their day off. One copy is kept by the employee and the 2nd copy is kept by the factory. Documentation and worker interviews stated and confirmed that in certain areas where 2 shifts were performed, the workers would work 1 week day shift -Monday to Friday, sometimes Saturday. No body would work on Sunday and then on Monday they would swap around and day shift workers went on to night shift, after they had a day off on Sunday and the whole day on Monday to start on Monday night.	(a) (b) (c)				
OT Compensation	The factory shall comply with applicable law for premium rates for overtime compensation	Overtime compensation from Sept 11, 06 to Oct 8, 06 was paid along with wages for Oct 06. Legally, this compensation should have been paid along with Sept wages, since the Overtime pertains to Sept 06. Similarly the OT compensation from Oct 8, 06 till 5th Nov 06 was paid along Nov 06 wages instead of October wages.		rds Finding was incriminating		1. Establish wage policy that includes information on the wag structure, types of benefits, terms of payment & time of paym All payment of wage, overtime wage & benefit should be mad the local law or not more than 7- 10 days from the last pay per whichever is stricter. 3. Policy to be communicated to all work (including supervisors and managers).	nent. 2. 2007 le within eriod	Per documentation review, document provided by the factory shows that factory has established the following: 1) A procedure for overtime calculation, including the explanation on how to read pay slip; explanations on the minimum basic salary, wage classification, max allowable hours overtime per week. 2) A provision requiring that full payment of wages (including OT) must be made at the end of each month (in Malagasy & French). 3) Document review indicates that factory has posted the wage payout sheet explanation on notice boards and has also provided attendance record for training provided to workers on wage policy. To be verified on factory visit	calculation; Doc 50 the explanation of the individual wage payout sheet. Doc 51 indicates the posting of the wage payout sheet explanation on notice board. Doc 52 is the training record. Doc 53 show the explanations on the minimum basic salary, wage classification, pay day	he p	Document review during factory visit confirmed that factory has baid wage and all its component including OT wage on timely basis.	Completed				
OT Compensation Awareness	Workers shall be informed about overtime compensation rates by oral and printed means		Some workers interviewed were not aware of the calculation for overtime compensation	Finding was incriminating		Establish wage policy that includes information on the wag structure, types of benefits, terms of payment & time of payment Policy to define the rate of overtime wage. Policy to be communicated to all workers & posted in prominent areas in a second part of the prominent areas.	nent. 2007	Per documentation review, document provided by the factory shows that factory has established the following: 1) A procedure for overtime calculation, including the explanation on how to read pay slip; explanations on the minimum basic salary, wage classification, max allowable hours overtime per week. 2) A provision requiring that full payment of wages (including OT) must be made at the end of each month (in Malagasy & French). 3) Document review indicates that factory has posted the wage payout sheet explanation on notice boards and has also provided attendance record for training provided to workers on wage policy. To be verified on factory visit	calculation; Doc 50 the explanation of the individual wage payout sheet. Doc 51 indicates the posting of the wage payout sheet explanation on notice board. Doc 52 is the training record. Doc 53 show the explanations on the minimum basic salary, wage classification, pay day	he be verified on confactory visit on the property of the prop	Document review and workers' interviews during factory visit confirmed requested procedure has been established on overtime calculation that provides provision on full payment of wages (including OT wage). It is confirmed that factory has posted the wage payout sheet explanation on notice boards and has conducted training as well.	Completed				
Miscellaneous Illegal subcontracting		Review of material issue record from trim stores, revealed that factory also subcontracts Embroidery and Printing for products produced for European buyers. This was not disclosed during the interview with the management.	Review of recor	rds Finding was incriminating		Factory to establish procedure to disclose & monitor comperformance of subcontract for PC production (adidas Group should factory need to use subcontractors in the future (curre factory has no subcontractor facility for adidas Group). De accountable person to monitor the implementation of procedu Written record of subcontracted factory's disclosure should be documented.	ently esignate ure.	No evidence of any actions being taken by management. Factory management has proposed to extend the timeline for the end of December '07.		s	The factory uses a subcontractor for embroidery. However, subcontractor is used for another brand's production, not adidas. However, no procedure has been established yet factory to complete by June 30, 2008.	Pending	Factory is no longer using any sub-contractors for production process, factory have installed in hous embroidery department. All processes are done in house.	Photo Completed.		