



2011

## FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

**COMPANY:** The Northwest Company  
**COUNTRY:** China  
**FACTORY CODE:** 11600151291J  
**MONITOR:** Social Compliance Service Asia  
Ltd.  
**AUDIT DATE:** July 26 – 27, 2011  
**PRODUCTS:**  
**PROCESSES:** Cutting, Sewing, Finishing,  
Packing  
**NUMBER OF WORKERS:** 413



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## Wages, Benefits and Overtime Compensation: Minimum Wage

WBOT.2 Employers shall pay workers at least the legal minimum wage or the prevailing industry wage, whichever is higher. (S)

### Noncompliance

**Explanation:** The factory used an electronic time recording system to record workers' attendance. Based on the time records provided, workers were on 1 shift, with regular working hours from 8:00 – 12:00 and 12:30 – 16:30. No weekday overtime was arranged; workers usually worked 5 days a week. On rare occasions, a few workers were required to work overtime on 1 – 2 rest days a month during the peak season. Based on the time records provided, workers were on a rotating rest day; the longest stretch of working days was 6 days and most workers only worked 5 days a week, most of the time. However, time and payment records provided were contradictory with the information on the production-related records and from worker interviews. I.e., production-related records, including workers' daily production records and manual attendance records from the floor, showed that workers were required to work some rest days and night overtime in April, May, June, and July 2011; however, corresponding time records showed that workers were off on these days and that no worker had ever worked any night overtime. Based on the time and payment records provided, no worker was paid below the local minimum wage of RMB 950 per month and overtime hours on rest day were paid at 200% of the normal rate. Due to various inconsistencies noted between time records and production records and the non-registered work hours found, auditors were unable to verify if all workers were guaranteed the legal minimum wages.

Sources: document review; worker interviews and management interviews

**Plan Of Action:** We will discuss with factory management the serious implications and the faults of not keeping proper time records. They must be ready to provide proper records at all times.

**Deadline Date:** 09/01/2011

**Supplier CAP:** Keep true production records and provide them during audits.

**Supplier CAP Date:** 09/30/2011



**Action Taken:** The HR team has earmarked a 6-person working panel to train workers on how to get working time records and paper documents in alignment. Training topics include the use of the electronic time-recording cards, filling procedures of paper documents, cross checking of documents within each working unit, and the supervisor's final confirmation of the working record. The HR department will have a weekly inspection of the records to make sure that the details on all the paper documents match the electronic record.

Follow-up visit by overseas Northwest (NW) employee, October 21, 2011: Paper documents were physically verified in agreement with electronic records. Phone conversations started the confirmation process in September and early October.

Follow-up visits, October 21, 2011 and April 9, 2012: NW verified that all hours worked are compensated properly.

**Plan Complete:** Yes

**Plan Complete Date:** 09/30/2011

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**Wages, Benefits and Overtime Compensation: Timely Payment of Wages**

WBOT.4 All wages, including overtime compensation shall be paid within legally defined time limits. When no time limits are defined by law, compensation shall be paid at least once a month. (S)

**Noncompliance**

**Explanation:** Factory paid the workers' wages on the 28th of the month for the wage calculation period from the 25th of the month before last month to the 24th of last month. This is not in line with the requirement that wages shall be paid within 30 days from the end of the working period.

Sources: document review; worker and management interviews

Legal Reference: Article 50 of the Labor Law of the People's Republic of China

**Plan Of Action:** Discuss with the factory about the fact that they must not hold wages for a 30-day period.

**Deadline Date:** 09/01/2011

**Supplier CAP:** We will pay the wages on the 20th of every month.

**Supplier CAP Date:** 09/30/2011

**Action Taken:** The vendors have adjusted the payment release time; wages have been paid to workers on every 20th of the month since August 20, 2011.

Follow-up visit by overseas NW employee, October 21, 2011: Confirmed that all wages have been paid on the 20th of each month.

**Plan Complete:** Yes

**Plan Complete Date:** 08/20/2011



## **Wages, Benefits and Overtime Compensation: Payment for All Hours Worked**

WBOT.7 Workers shall 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. (S)

### **Noncompliance**

**Explanation:** Due to various inconsistencies noted between time records and production records and the practice of non-registered work hours found, the overall amount of payment, the calculation basis, the overtime compensation, and the accuracy of the calculation and recording of the payments could not be verified.

Sources: document review; worker interviews and management interviews

**Plan Of Action:** We will discuss the serious implications and faults of not keeping proper time records with factory management. They must be ready to provide proper records at all times.

**Deadline Date:** 09/01/2011

**Supplier CAP:** We will keep true production records and will provide them during audit.

**Supplier CAP Date:** 09/30/2011

**Action Taken:** The HR team has earmarked a 6-person working panel to train workers on how to make sure the working time records and paper documents are in alignment. The training topics include the use of electronic time-recording cards, filing procedures of paper documents, cross checking of documents within each working unit, and the supervisor's final confirmation of the working record. The HR department will have a weekly inspection of the records to make sure that the details on all the paper documents match the electronic record.

Follow-up visit by overseas Northwest (NW) employee, October 21, 2011: Paper documents were physically verified in agreement with electronic records. Phone conversations started the confirmation process in September and early October.

Follow-up visits, October 21, 2011 and April 9, 2012: NW verified that all hours worked are compensated properly.

**Plan Complete:** Yes

**Plan Complete Date:** 09/30/2011

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### **Wages, Benefits and Overtime Compensation: Calculation Basis for Overtime Payments**

WBOT.8 Employers shall compensate workers for all hours worked. For workers on a piece rate payment scheme or any other incentive scheme, payments for overtime hours worked shall be calculated by applying the premium rate required by law or this Code on the same payment scheme as is used for calculating wages for normal working hours, unless the payment scheme used leads to higher wages for workers. (S)

#### **Noncompliance**

**Explanation:** Due to various inconsistencies noted between time records and production records and the non-registered work hours found, the overall amount of payment, the calculation basis, the overtime compensation, the accuracy of the calculation, and the recording of the payment could not be verified.

Sources: document review; worker interviews and management interviews

**Plan Of Action:** We will discuss the serious implications and faults of not keeping proper time records with factory management. They must be ready to provide proper records at all times.

**Deadline Date:** 09/01/2011

**Supplier CAP:** We will keep true production records and provide them during the audit.

**Supplier CAP Date:** 09/30/2011

**Action Taken:** The HR team has earmarked a 6-person working panel to train workers on how to make sure the working time records and paper documents are in alignment. The training topics include the use of electronic time-recording cards, filing procedures of paper documents, cross checking of documents within each working unit, and the supervisor's final confirmation of the working record. The HR department will have a weekly inspection of the records to make sure that the details on all the paper documents match the electronic record.



Follow-up visit by overseas Northwest (NW) employee, October 21, 2011: Paper documents were physically verified in agreement with electronic records. Phone conversations started the confirmation process in September and early October.

Follow-up visits, October 21, 2011 and April 9, 2012: NW verified that all hours worked are compensated properly.

**Plan Complete:** Yes

**Plan Complete Date:** 09/30/2011

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### **Wages, Benefits and Overtime Compensation: Premium/Overtime Compensation**

WBOT.10 The factory shall comply with all applicable laws, regulations and procedures governing the payment of premium rates for work on holidays, rest days, and overtime. (S)

#### **Noncompliance**

**Explanation:** Due to various inconsistencies noted between time records and production records and the practice of non-registered work hours, the overall amount of payment, the calculation basis, the overtime compensation, the accuracy of the calculation, and the recording of the payment could not be verified.

Sources: document review, worker interviews and management interviews

**Plan Of Action:** We will discuss the serious implications and faults of not keeping proper time records with factory management. They must be ready to provide proper records at all times.

**Deadline Date:** 09/01/2011

**Supplier CAP:** We will keep true production records and will provide them during audits.

**Supplier CAP Date:** 09/30/2011





**Action Taken:** The HR team has earmarked a 6-person working panel to train workers on how to make sure the working time records and paper documents are in alignment. The training topics include the use of electronic time-recording cards, filing procedures of paper documents, cross checking of documents within each working unit, and the supervisor's final confirmation of the working record. The HR department will have a weekly inspection of the records to make sure that the details on all the paper documents match the electronic record.

Follow-up visit by overseas Northwest (NW) employee, October 21, 2011: Paper documents were physically verified in agreement with electronic records. Phone conversations started the confirmation process in September and early October.

Follow-up visits, October 21, 2011 and April 9, 2012: NW verified that all hours worked are compensated properly.

**Plan Complete:** Yes

**Plan Complete Date:** 09/30/2011

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## **Wages, Benefits and Overtime Compensation: Accurate Calculation and Recording of Wage Compensation**

WBOT.17 All payments to workers, including hourly wages, piecework, benefits, bonuses, and other incentives shall be calculated and recorded accurately. (S)

### **Noncompliance**

**Explanation:** Due to various inconsistencies noted between time records and production records and the practice of non-registered work hours, the overall amount of payment, the calculation basis, the overtime compensation, the accuracy of the calculation, and the recording of the payment could not be verified.

Sources: document review; worker interviews and management interviews

**Plan Of Action:** We will discuss the serious implications and the faults of not keeping proper time records with factory management. They must be ready to provide proper records at all times.

**Deadline Date:** 09/01/2011

**Supplier CAP:** We will keep true production records and will provide them during audits.

**Supplier CAP Date:** 09/30/2011

**Action Taken:** The HR team has earmarked a 6-person working panel to train workers on how to make sure the working time records and paper documents are in alignment. The training topics include the use of electronic time-recording cards, filing procedures of paper documents, cross checking of documents within each working unit, and the supervisor's final confirmation of the working record. The HR department will have a weekly inspection of the records to make sure that the details on all the paper documents match the electronic record.

Follow-up visit by overseas Northwest (NW) employee, October 21, 2011: Paper documents were physically verified in agreement with electronic records. Phone conversations started the confirmation process in September and early October.

Follow-up visits, October 21, 2011 and April 9, 2012: NW verified that all hours worked are compensated properly.

**Plan** Yes  
**Complete:**

**Plan** 09/30/2011  
**Complete**  
**Date:**

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### **Wages, Benefits and Overtime Compensation: False Payroll Records**

WBOT.19 Employers shall not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason. Payroll records maintained shall be authentic and accurate. (P)

#### **Noncompliance**

**Explanation:** During the audit, it was noted that the factory used an electronic time recording system to record workers' attendance. Based on the time records provided, it was noted that workers were on one shift and workers' regular working hours were from 8:00 – 12:00 and 12:30 – 16:30. No weekday overtime was arranged and workers usually worked for 5 days a week. On rare occasions, a few of the workers were required to work 1 – 2 rest days overtime a month during the peak season. Based on the time records provided, workers were on a rotating rest day and the longest stretch of working days was 6 days and most of the workers only worked for 5 days a week most of the time. However, the information on the time and payment records provided were contradictory with the information on the production related records and the information from the worker interviews. For instance, production related records, including daily production records of workers and manual attendance records on the floor, showed that workers were required to work on some rest days and work night overtime during the month of April, May, June and July 2011, however, the corresponding time records showed that workers were off on these days and no worker had ever worked any night overtime. Based on the time and payment records provided, it was noted that no worker was paid below the local minimum wage of RMB 950 per month and overtime hours on rest day were paid at 200% of the normal rate. Due to various inconsistencies noted between the time records and production records and the non-registered work hours found, the actual working hours status and payment status of workers could not be accurately verified.

Sources: document review, worker interviews and management interviews

**Plan Of Action:** We will discuss the serious implications and the faults of not keeping proper time records with factory management. They must be ready to provide proper records at all times.



**Deadline Date:** 09/01/2011

**Supplier CAP:** We will keep true production records and will provide them during audits.

**Supplier CAP Date:** 09/30/2011

**Action Taken:** The HR team has earmarked a 6-person working panel to train workers on how to make sure the working time records and paper documents are in alignment. The training topics include the use of electronic time-recording cards, filing procedures of paper documents, cross checking of documents within each working unit, and the supervisor's final confirmation of the working record. The HR department will have a weekly inspection of the records to make sure that the details on all the paper documents match the electronic record.

Follow-up visit by overseas Northwest (NW) employee, October 21, 2011: Paper documents were physically verified in agreement with electronic records. Phone conversations started the confirmation process in September and early October.

Follow-up visits, October 21, 2011 and April 9, 2012: NW verified that all hours worked are compensated properly.

**Plan Complete:** Yes

**Plan Complete Date:** 09/30/2011

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## Freedom of Association: Right to Freely Associate

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

### Noncompliance

**Explanation:** [FLA Comment:](#) The Chinese constitution guarantees Freedom of Association (FOA); however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). According to the ILO, many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations that could improve the functioning of the labor relations mechanisms. The Amended Trade Union Act of October 2001 does stipulate that union committees have to be democratically elected at members' assemblies and trade unions must be accountable to their members. The trade union has the responsibility of consulting with management on key issues of importance to their members and to sign collective agreements. It also grants the trade union an enhanced role in dispute resolution. In December 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in contrast to the previous system of non-negotiated administrative agreements.

**Plan Of Action:** We will discuss with the factory and ascertain what their policy is on freedom of association, and will make sure this is addressed.

**Deadline Date:** 09/01/2011

**Supplier CAP:** [Name of company that owns factory] recognizes and respects the right of employees to freedom of association and collective bargaining.

**Supplier CAP Date:** 09/30/2011

**Action Taken:** The vendors held assembling meetings with all workers and asked them to elect 1 representative from each working unit. The elected worker representative formed a standing Workers' Committee on September 1, 2011. The workers can seek help from the Workers' Committee if there are any disputes about the wage payments and personnel issues.



Follow-up visit by overseas NW employee, October 21, 2011: Random workers were asked their awareness of the Workers' Committee. Not all confirmed awareness of meetings or representative. Vendors were told to make sure all workers are notified and following phone calls and emails have confirmed vendors' understanding and compliance with this issue. Phone conversations started the confirmation process in September and early October.

April 2013: Posters are being created with the pertinent information concerning the Workers' Committee's existence and are being placed in prominent areas for their view and awareness.

May 2013: Photos of posted Workers' Committee posters sent to FLA for review.

**Plan** No  
**Complete:**

**Plan**  
**Complete**  
**Date:**

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### **Child Labor: Proof of Age Documentation**

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

#### **Noncompliance**

**Explanation:** There were at least 5 temporary workers employed in June 2011 at the factory, but the factory could not provide their age-proof documents and labor contracts for review. Based on the interviews with temporary workers, their reported ages were above the legal minimum working age of 18 years old.

Sources: document review; worker and management interviews

Legal Reference: Article 7 of China Labor Contract Law, Article 10 of the Law of the People's Republic of China on Employment Contract

**Plan Of Action:** We will discuss this with the factory and will explain that the documents for age and labor verification must be ready at all times to be provided to the appropriate individuals.



**Deadline Date:** 09/01/2011

**Supplier CAP:** We will set up age-proof documents and labor contracts for all workers, including temporary workers.

**Supplier CAP Date:** 09/30/2011

**Action Taken:** The HR team will check the proof of ID documents and other background details of all workers before recruitment, no matter if they are long-term employees or temporary ones.

Follow-up visit by overseas Northwest employee, October 21, 2011: Confirmed by meeting with HR that worker recruitment was thorough and that proper documents were now being kept for all workers, temporary and full time.

**Plan Complete:** Yes

**Plan Complete Date:** 09/30/2011

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**Non-Discrimination: Recruitment and Employment Practices (Job Advertisements, Job Descriptions, Evaluation Policies)**

D.3 Recruitment and employment policies and practices, including job advertisements, job descriptions, and performance/job evaluation policies and practices shall be free from any type of discriminatory bias. (S)

**Noncompliance**

**Explanation:** An age limit (18 – 35) was found on the factory recruitment advertisement.

Sources: document review; workers and management interviews

Legal Reference: Article 12 of the Labor Law of the People's Republic of China

**Plan Of Action:** We will discuss this issue with the factory and will tell them that there can be no age discrimination.

**Deadline Date:** 09/01/2011

**Supplier CAP:** We will cancel the age limit.

**Supplier CAP Date:** 09/30/2011

**Action Taken:** The age requirement has been revised so all workers over 18 are permitted. There is no longer an upper age limitation.

Follow-up visit by overseas NW employee, October 21, 2011: Confirmed that the age limit was cancelled. Phone conversations and emails also confirmed this.

**Plan Complete:** Yes

**Plan Complete Date:** 09/30/2011

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**Code Awareness:**

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

**Noncompliance**

**Explanation:** The code of conduct (COC) of the FLA-affiliated company was not posted in the factory.

Sources: factory tour; worker and management interviews

**Plan Of Action:** We will create an updated COC and send it to the factory.

**Deadline Date:** 09/01/2011

**Supplier CAP:** We will post the COC of the FLA-affiliated company as soon as it is provided.

**Supplier CAP Date:** 09/30/2011

**Action Taken:** The bilingual COC was given to the factory and posted where workers can readily view it.  
Follow-up visit by overseas NW employee, October 21, 2011: Confirmed posting on visit. Also, photos sent by email of posted COC.

**Plan Complete:** Yes

**Plan Complete Date:** 09/30/2011

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## Health and Safety: Evacuation Requirements and Procedure

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

### Noncompliance

**Explanation:** 1. 1 exit on the 1st floor of the production building was blocked by the workstation.

2. Goods were blocking the passage aisles of most workers' workstations, such as the sewing workers on the 2nd and 3rd floors of production.

Sources: factory tour, worker interviews and management interviews

Legal Reference: Article 28 of Fire Prevention Law of the People's Republic of China

**Plan Of Action:** We will discuss with the factory and tell them that safety and cleanliness is of utmost importance.

**Deadline Date:** 09/01/2011

**Supplier CAP:** In order to clear up the workplace, we must make sure the walkthrough is clear and safe.

**Supplier CAP Date:** 09/30/2011

**Action Taken:** The QA team in the factory has appointed 2 inspectors to do the patrolling on-site inspection walk in the workshops to make sure that the production materials/finished products are stacked in the specific places. The patrolling inspectors will submit the daily inspection report to the QA team who will communicate with each production unit if any issues are identified.

Follow-up visit by overseas NW employee, October 21, 2011: Confirmed QA teams' effectiveness. Also, emailed photos documented progress.

**Plan Complete:** Yes

**Plan Complete Date:** 09/30/2011

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### **Health and Safety: Safety Equipment and First Aid Training**

H&S.10 All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be available in sufficient numbers throughout the factory, maintained and stocked as prescribed and easily accessible to workers. A sufficient number of workers shall be trained in first aid and fire fighting techniques. (S)

#### **Noncompliance**

**Explanation:** 1. At least 5 pieces of fire fighting equipment were blocked by sundries, such as in the warehouse on the 1st floor.

2. Insufficient supplies were provided in at least 2 first aid kits in the workshop, e.g., no bandages were provided.

Sources: factory tour; worker interviews and management interviews

Legal References: Article 28 of Fire Prevention Law of the People's Republic of China;  
Article 23 of Law of the People's Republic of China on Prevention and Control of Occupational Diseases

**Plan Of Action:** We will discuss with the factory the fact that safety and cleanliness is of utmost importance.

**Deadline Date:** 09/01/2011

**Supplier CAP:** We will enhance the cleanliness of the warehouse, and make sure there are no blockages to fire equipment and will provide the proper first aid supplies for workers.

**Supplier CAP Date:** 09/30/2011

**Action Taken:** The QA team in the factory has appointed 2 inspectors to do the patrolling on-site inspection walk in the workshops to make sure that the production materials/finished products are stacked in the specific places. The patrolling inspectors will submit the daily inspection report to the QA team who will communicate with each production unit if any issues are identified.

Follow-up visit by overseas NW employee, October 21, 2011: Confirmed QA teams' effectiveness by going over various inspection reports. Workers have been keeping better practices concerning cleanliness. Emailed photos documented progress.

**Plan Complete:** Yes

**Plan Complete Date:** 09/30/2011

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### Health and Safety: Proper Use of Machinery

H&S.19 Employers shall only use positive incentives (risk awareness training, demonstration of proper use, awards, bonuses, etc.) to ensure workers use machinery, equipment and tools properly and safely. Workers shall not suffer any negative consequences for refusing to work with machinery, equipment or tools that are not properly guarded or reasonably considered unsafe. (P)

#### Noncompliance

**Explanation:** At least 2 workers did not use the protective eye shield while operating the overlock sewing machines.

Sources: factory tour; worker interviews and management interviews

Legal Reference: Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene

**Plan Of Action:** We will discuss with the factory the fact that safety and cleanliness is of utmost importance.

**Deadline Date:** 09/01/2011



**Supplier CAP:** We will enhance equipment operation safety training and workers' safety awareness.

**Supplier CAP Date:** 09/30/2011

**Action Taken:** The factory trained all workers to deepen their understanding of self-protection during production activities. The supervisor of each working unit will have a daily assembling meeting with all the workers before they start working, to ensure that workers use the required labor-protection apparatus.

Follow-up visit by overseas NW employee, October 21, 2011: Confirmed workers meet safety standards. Emailed photos documented use of self-protection items.

**Plan Complete:** Yes

**Plan Complete Date:** 09/30/2011

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**Hours of Work: Time Recording System**

HOW.6 Time worked by all workers, regardless of compensation system, shall be fully documented by time cards or other accurate and reliable recording systems such as electronic swipe cards. Employers are prohibited from maintaining multiple time-keeping systems and/or false records for any fraudulent reason, such as to falsely demonstrate working hours. Time records maintained shall be authentic and accurate. (P)

**Noncompliance**

**Explanation:** The factory used an electronic time recording system to record workers' attendance. Based on the time records provided, workers were on 1 shift and their regular working hours were from 8:00 – 12:00 and 12:30 – 16:30. No weekday overtime was arranged and workers usually worked for 5 days a week. On rare occasions, a few workers were required to work 1 – 2 rest days of overtime a month during the peak season. Based on time records provided, workers were on a rotating rest day; the longest stretch of working days was 6 days and most workers only worked for 5 days a week, most of the time. However, the information on time and payment records provided was contradictory with information from the production-related records and worker interviews. For instance, production-related records, including daily production records of workers and manual attendance records on the floor, showed that workers were required to work on some rest days and work night overtime in April, May, June and July 2011; however, the corresponding time records showed that workers were off on these days and no worker had ever worked any night overtime. Due to various inconsistencies noted between time records and production records and the non-registered work hours found, the actual working hours status of workers could not be accurately verified.

Sources: document review; worker interviews and management interviews

**Plan Of Action:** We will discuss the serious implications and the faults of not keeping proper time records with factory management. They must be ready to provide proper records at all times.

**Deadline Date:** 09/01/2011

**Supplier CAP:** We will keep true production records and provide them during audits.

**Supplier CAP Date:** 09/30/2011



**Action Taken:** The HR team has earmarked a 6-person working panel to train workers on how to make sure the working time records and paper documents are in alignment. The training topics include the use of the electronic time-recording cards, the filing procedure of the paper documents, crosschecking of the documents within each working unit, and the supervisor's final confirmation of the working record. The HR department will have a weekly inspection of the records to make sure that the details on all the paper documents match the electronic record.

Follow-up visit by overseas NW employee, October 21, 2011: Paper documents were physically verified in agreement with electronic records. Phone conversations started the confirmation process in September and early October.

**Plan Complete:** Yes

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