

FLA Audit Profile	
Factory Code	670057962G
Country	Pakistan
FLA Affiliate	Antigua
Other FLA Affiliates in Factory	None
Monitor	T - Group Solutions Pvt Ltd
Audit Date	November 19-20, 2008
Products	Knit T-Shirts
Processes	Cutting to Packing
Number of Workers	381



FAIR LABOR
ASSOCIATION™

FLA Comment: In situations where a FLA-affiliated Company is no longer sourcing from a factory that has received an Independent External Monitoring visit, the Company shall submit information on (a) the reason for exiting; (b) the status of compliance and summary of efforts to remediate noncompliances in the factory; and (c) plans to follow up on critical issues. The FLA-affiliated Company in this case has submitted the following information, which has not been verified by the FLA:

*Antigua has made the decision to exit our relationship with ***FACTORY NAME*** through our designated agent ***AGENT NAME***. As required by the IEM procedures this message serves as notification of our intent. The criteria and subsequent remaining actions are listed as follows.*

1) Reasons for exiting- Due to ongoing political unrest and growing security concerns we are exiting the origin entirely. As a result of the security concerns, many other brands have exited the origin as well. The resulting decline in the industry has created the potential for severe losses in production and quality as well as compliance due to decreased financial stability throughout the associated supply chains within the Pakistan garment industry.

2) Status of Compliance: As of this date, the audit has been reviewed and initial clarification of findings has been made by the auditor and results have been communicated to our sourcing agent. Posting of CAP is pending a formal review with our sourcing agent on July 15th. At that time is our intention to confirm the capability of the factory to implement the CAP as well as access the overall stability of the factory.

3) Post exit plans: As a result of the July 15th review, plans will be drawn up to secure as much remediation as is possible.

Table of Findings

Wages, Benefits and Overtime Compensation: _____	3
Wages, Benefits and Overtime Compensation: D. Accurate Length of Service Calculation _____	4
Wages, Benefits and Overtime Compensation: B. Minimum Wage _____	5
Wages, Benefits and Overtime Compensation: D. Timely Payment of Wages _____	5
Wages, Benefits and Overtime Compensation: I. Premium/Overtime Compensation _____	6
Wages, Benefits and Overtime Compensation: L. Voluntary Wage Deductions _____	7
Wages, Benefits and Overtime Compensation: N. Accurate Calculation and Recording of Wage Compensation _____	7
Wages, Benefits and Overtime Compensation: O. False Payroll Records _____	8
Wages, Benefits and Overtime Compensation: P. Payroll Record Maintenance/Worker Acknowledgement _____	9
Wages, Benefits and Overtime Compensation: Q. Record Maintenance _____	9
Wages, Benefits and Overtime Compensation: R. Worker Wage Awareness _____	10
Wages, Benefits and Overtime Compensation: V. Pay Statement _____	10
Forced Labor: I. Employment Records _____	11
Harassment or Abuse _____	12
Miscellaneous: A. Code Awareness _____	12
Health and Safety: A. General Compliance Health and Safety _____	13
Health and Safety: I. Evacuation Requirements and Procedure _____	14
Health and Safety: J. Safety Equipment and First Aid Training _____	15
Health and Safety: K. Personal Protective Equipment _____	15
Health and Safety: M. Chemical Management and Training _____	16
Health and Safety: Q. Ventilation/Electrical/Facility Installation and Maintenance _____	17
Health and Safety: R. Machinery Maintenance and Worker Training _____	17
Health and Safety: T. Bodily Strain _____	18
Health and Safety: V. Sanitation in Factory Facilities _____	18
Health and Safety: Y. Food Preparation _____	19
Hours of Work: A. General Compliance Hours of Work _____	19
Hours of Work: B. Rest Day _____	20
Hours of Work: D. Protected Workers (Women and Young Workers) _____	21
Hours of Work: F. Time Recording System _____	21
Hours of Work: K. Extraordinary Business Circumstance/Forced Labor _____	22
Hours of Work: N. Annual Leave _____	23
Hours of Work: S. Sick Leave _____	23
Hours of Work: W. Other - Hours of Work _____	24

670057962G_Pakistan

Wages, Benefits and Overtime Compensation: : A. Holidays, Leave, Legal Wages, Benefits and Overtime Compensation: and Bonuses

WBOT.5 Employers shall provide all legally mandated holidays, leave, benefits and bonuses, such as official holidays, annual leave, sick leave, severance payments and 13th month payments, to all eligible workers within legally defined time periods. In addition, all leave and bonuses shall be calculated correctly. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation:

A. Factory is deducting provident fund @6.25% of basic salary; from employees salary on monthly basis & as stated by the Management factory also contributes equivalent amount. 1- Provident Fund is not registered with Income Tax commissioner 2- No Bank Account maintained for PF & no statement / bank letter found available 3- Following documents regarding PF not found available a. PF establishment deed b. PF rules of business c. List of Trustees d. Meeting minutes e. PF account audit report f. Nomination Forms g. Copy of cheque as evidence of Payment of PF amount to terminated employees h. Audit report of PF accounts i. Individual employee PF account record The above are required under the Provident Fund Act, 1925 & rules made there under. B.1.As stated by the management, Factory does not allow 14 consecutive days of Annual Leave for workers. This does not comply with requirement of Factories Act, 1934; Section 49-B. 2.As stated by the management ,Factory allows 8 days sick leave whereas Factories Act, 1934; Section 49-H requires 16 days of sick leave to be provided to all workers. 3.As stated by the management, during probation period workers are not provided with Casual or Sick Leave as required per Factories Act, 1934; Section 49-H. 4.As stated by the management, Factory never paid Annual Bonus to its workers . This does not comply with " West Pakistan Industrial & Commercial Employment Standing Order (Ordinance) 1969, Section 10-C (2) a &b". 5 Factory had not established Worker Profit Participation Fund as required under Companies Profit (Worker's Participation) Act, 1968; Section 3. 6. Factory does not contribute to provincial Worker Welfare Fund as required under Worker Welfare fund ordinance, 1971 section 3 & 4. 7. Factory is not paying monthly contribution towards Social Security for Piece Rated Contract workers and Outsourced House keeping workers, to the concerned provincial government Social Security department whereas Provincial Employees Social Security Ordinance, 1965 requires social security insurance for all workers. 8. Factory is not paying monthly contribution towards Employee Old Age Pension (EOBI) for Piece Rated Contract workers and Outsourced House keeping workers, to the concerned provincial government Old age benefit department whereas Employee Old Age Benefit Act, 1976 requires old age pension insurance for all workers. 9. Factory is paying social security & employee old age; contribution for permanent salaried workers; but workers can not avail benefit from social security & old-age without Social Security Card & EOBI Card (issued separately by both government departments).Only 1 worker has social security card out of 223 insured workers. 10. List of New Entrants & List of Terminates; for group insurance not found updated. Group insurance policy document requires that factory shall intimate to insurance company when any worker in factory achieve status of

permanent employee & it should be insured under group insurance and/or any employee is terminated or resigned from service to enable insurance company to update the status of insured person & they remain eligible for insurance benefits. 11. Group Insurance; Due to non availability of corresponding documents, it could not be verified if workers are insured for "Fortnight Income Benefit" as required by Workman Compensation Act, 1923; Schedule IV Column 4. 12. No documentary evidence was provided to verify if the outsourced housekeeping workers were covered under Group Insurance scheme since they have completed 1 year of service. This is a requirement under West Pakistan Industrial and Commercial Employment Standing orders (Ordinance) 1969, section 10 a 13. Factory has never paid balance of Annual Leave as "Annual Leave Encashment" to any worker, as required by Factories Act, 1934; Section 49-B (3).

Plan Of Action:
Deadline Date:
Supplier CAP:
Supplier CAP Date:
Action Taken:
Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Wages, Benefits and Overtime Compensation: D. Accurate Length of Service Calculation

WBOT.18 All workers shall be credited with all time worked for an employer for purposes of calculating length of service to determine the benefits to which workers are entitled. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: As stated by Management, factory established Provident Fund in July-2006. Review of terminal dues payment records revealed that a worker (code 343) joined on 09-Nov-2005 & date of termination was 10-Nov-08. Factory did not pay gratuity for the duration 09-Nov-2005 to 30-Jun-2006. Factory only paid PF amount (employee contribution + factory contribution without any interest) from 01-Jun-2006 to 10-Nov-2008. Law requires that employer shall pay gratuity for the service period when provident fund was not established (West Pakistan Industrial & Commercial Employment Standing Order (Ordinance) 1969, Section 12

Plan Of Action:
Deadline Date:
Supplier CAP:
Supplier CAP Date:
Action Taken:
Plan Complete:
Plan Complete Date:

Action Verified:
 Action Verified Text:
 Action Verified Date:
 Comments:

Wages, Benefits and Overtime Compensation: B. Minimum Wage

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

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: 1. Minimum wages are not being paid as per skill levels, as notified by local minimum wage board (The Punjab Gazette (Extraordinary) September 01, 2008). For example (1) Packers are being paid Rs:6000 (unskilled wage) against Rs:6320 as notified (2) Helpers are being paid Rs:6000 (unskilled wage) against Rs:6320 as notified for Helper Tailor & Rs:6200 for Helper not elsewhere classified, (3) Electrician is being paid Rs:6000 (unskilled wage) whereas notification states Rs:6760, (4) Quality Inspectors are being paid Rs:6300 whereas notification states Rs:6900 (5) Rowing Inspector are being paid Rs:6300 whereas notification states Rs:6900 (6) Stain man are being paid Rs:6000 whereas notification states Rs:6600 (7) Gardner are being paid Rs:6000 whereas notification states Rs:6200 . 2. Wages earned by piece rate workers are less than minimum daily wages notified by provincial wage board for example; STITCHERS worker code period daily average wages earned Notified **** 16-Sep-08 to 15-Oct-08 Rs: 246 Rs: 260 **** 16-Sep-08 to 15-Oct-08 Rs: 236 Rs: 260 **** 16-Sep-08 to 15-Oct-08 Rs: 99 Rs: 260 These workers attended full 8 hours in a working day.

Plan Of Action:
 Deadline Date:
 Supplier CAP:
 Supplier CAP Date:
 Action Taken:
 Plan Complete:
 Plan Complete Date:
 Action Verified:
 Action Verified Text:
 Action Verified Date:
 Comments:

Wages, Benefits and Overtime Compensation: D. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
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670057962G – Pakistan: Antigua

11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)
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Explanation: Policy for compensation & benefits defines the frequency for payment of wages between 7th and 10th day of each month. Payment of Wages Act, 1936 Section 5 (1 a), requires salary to worker less than one thousand persons are employed shall be paid before the expiry of seventh day. Total employees of factory are 300. As stated by HR Manager, wages for the month of October-2008 were paid on 8th or 9th day of Nov.2008. This was confirmed by workers interviewed.

- Plan Of Action:**
- Deadline Date:**
- Supplier CAP:**
- Supplier CAP Date:**
- Action Taken:**
- Plan Complete:**
- Plan Complete Date:**
- Action Verified:**
- Action Verified Text:**
- Action Verified Date:**
- Comments:**

Wages, Benefits and Overtime Compensation: I. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: 1. Total overtime hours worked in Oct 08 and total wages received, as stated by workers interviewed did not match with hours and payments reflected on pay records produced for review. Based on the amount received toward overtime compensation, it appears that overtime hours worked is being compensated at single times the wage rate instead of double as required by Factories Act 1934 section 47. In absence of complete pay records, this could not be further verified 2.Compensatory holiday with pay for working on a weekly rest day, is not being provided to workers; e.g. electricians (code # 1466, 351) worked on weekly holiday (26-Oct-2008 & 16-Nov-08; Sunday) but time / leave records pertaining to these electricians do not reflect any compensatory leave provided as required by Factories Act, 1934; Section 35-A.

- Plan Of Action:**
- Deadline Date:**
- Supplier CAP:**
- Supplier CAP Date:**
- Action Taken:**
- Plan Complete:**

Plan Complete Date:
 Action Verified:
 Action Verified Text:
 Action Verified Date:
 Comments:

Wages, Benefits and Overtime Compensation: L. Voluntary Wage Deductions

FLA WBOT.13. All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc. The employer shall not hold over any of these funds 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 deposits, weekly pay). If the law does not specify, then deposits shall be made before the next pay period in all cases.

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	Fail

Explanation: A. Factory is deducting provident fund @6.25% of basic salary; from employees salary on monthly basis & as stated by the Management factory also contributes equivalent amount. 1- Provident Fund is not registered with Income Tax commissioner 2- No Bank Account maintained for PF & no statement / bank letter found available 3- Following documents regarding PF not found available a. PF establishment deed b. PF rules of business c. List of Trustees d. Meeting minutes e. PF account audit report f. Nomination Forms g. Copy of cheque as evidence of Payment of PF amount to terminated employees h. Audit report of PF accounts i. Individual employee PF account record The above are required under the Provident Fund Act, 1925 & rules made there under.

Plan Of Action:
 Deadline Date:
 Supplier CAP:
 Supplier CAP Date:
 Action Taken:
 Plan Complete:
 Plan Complete Date:
 Action Verified:
 Action Verified Text:
 Action Verified Date:
 Comments:

Wages, Benefits and Overtime Compensation: N. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
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670057962G – Pakistan: Antigua

11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)
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Explanation: Attendance record does not match with actual production record of piece rated stitcher workers. For example; (1) Piece rated worker (stitcher) code **** - Attendance record reflects that he was absent on 30-Aug-08 (Saturday) whereas production record reflects that he was at work and had stitched 337 pieces of garments for work order # ***-***. (2) Stitcher code *****- Attendance record reflects that he was present on 31-Jul-08, 01-Aug-08 & 02-Aug-08 but production record reflects that he was absent on said dates. Total overtime hours worked in Oct 08, as stated by workers did not match with hours reflected on pay records produced for review. In some cases, the workers stated that they had worked 40 to 45 hours of overtime in the month, however only 11 to 12 hours is reflected on wage records produced for review.

Plan Of Action:
Deadline Date:
Supplier CAP:
Supplier CAP Date:
Action Taken:
Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Wages, Benefits and Overtime Compensation: O. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: Total overtime hours worked in Oct 08, as stated by workers did not match with hours reflected on pay records produced for review. In some cases, the workers stated that they had worked 40 to 45 hours of overtime in the month, however only 11 to 12 hours is reflected on wage records produced for review.

Plan Of Action:
Deadline Date:
Supplier CAP:
Supplier CAP Date:
Action Taken:
Plan Complete:
Plan Complete Date:

Action Verified:
 Action Verified Text:
 Action Verified Date:
 Comments:

Wages, Benefits and Overtime Compensation: P. Payroll Record Maintenance/Worker Acknowledgement

WBOT.20 All compensation records shall be maintained accurately and shall be acknowledged by the worker as accurate. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: Total overtime hours worked in Oct 08, as stated by workers did not match with hours reflected on pay records produced for review. In some cases, the workers stated that they had worked 40 to 45 hours of overtime in the month, however only 11 to 12 hours is reflected on wage records produced for review.

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 Deadline Date:
 Supplier CAP:
 Supplier CAP Date:
 Action Taken:
 Plan Complete:
 Plan Complete Date:
 Action Verified:
 Action Verified Text:
 Action Verified Date:
 Comments:

Wages, Benefits and Overtime Compensation: Q. Record Maintenance

WBOT.21 Employers shall ensure that all legally required payroll documents, journals and reports are available, complete, accurate and up-to-date. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: 1. Total overtime hours worked in Oct 08 and total wages received, as stated by workers interviewed did not match with hours and payments reflected on pay records produced for review. Based on the amount received toward overtime compensation, it appears that overtime hours worked is being compensated at single times the wage rate instead of double as required by Factories Act 1934 section 47. In absence of complete pay records, this could not be further verified 2. Compensatory

holiday with pay for working on a weekly rest day, is not being provided to workers; e.g. electricians (code # ****, ****) worked on weekly holiday (26-Oct-2008 & 16-Nov-08; Sunday) but time / leave records pertaining to these electricians do not reflect any compensatory leave provided as required by Factories Act, 1934; Section 35-A.

Plan Of Action:
Deadline Date:
Supplier CAP:
Supplier CAP Date:
Action Taken:
Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Wages, Benefits and Overtime Compensation: R. Worker Wage Awareness

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

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: None of the workers interviewed were aware of all benefits that they are entitled to. Payment of wages Rules, 1960, rule 8; paymaster shall display in conspicuous place at or near the main entrance of factorythe day on which wages are paid; No such notice found displayed in factory

Plan Of Action:
Deadline Date:
Supplier CAP:
Supplier CAP Date:
Action Taken:
Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Wages, Benefits and Overtime Compensation: V. Pay Statement

WBOT.26 Employers shall provide workers a pay statement each pay period, which shall show

670057962G – Pakistan: Antigua

earned wages, wage calculations, regular and overtime pay, bonuses, all deductions and final total wage. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: Factory does not issue wage slip for piece rated workers whereas West Pakistan Minimum Wages Rules, 1962; Section 19(2) requires issuance of wage slip to all workers.

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Forced Labor: I. Employment Records

F.9 Employers shall maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: Employment Contracts not found issued to neither Piece Rated Contract workers nor Permanent employees whereas West Pakistan Industrial & Commercial Employment Standing Order (Ordinance) 1969, Schedule standing order section 2-A requires employment terms & conditions shall be provided to employees in writing. Worker "Nomination Form" for Group Insurance was not found maintained

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Harassment or Abuse: Q. Other - Harassment or Abuse

Other

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: [Policy on Harassment & Abuse is not posted.](#)

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Miscellaneous: A. Code Awareness

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

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: [Factory has not received Code poster from Antigua.](#)

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

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.

Audit Date	Audit Type	Audit Scope	Auditor	Score
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670057962G – Pakistan: Antigua

11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)
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Explanation: Factory has not received Code poster from Antigua. No trainings conducted.

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

GEN.3 Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: No system in place.

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: A. General Compliance Health and Safety

H&S.1 Employers shall comply with all local laws, regulations and procedures concerning health and safety. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External	T - Group Solutions Pvt Ltd	1 (out of 5)

Monitoring

Explanation: 1.. Lime-Washing, Painting or Varnishing record not found maintained by factory as required by Punjab Factories Rules, 1978 Rule 17 & 45 Form 2.. Particular of rooms not found maintained by factory as required by Factories Act, 1934; Section 18 & Punjab Factories Rules, 1978 Rule 38 Form 3. Building Stability Certificate not found available as required by Punjab Factories Rules, 1978 Rule 95(1) Form 4. Boiler inspection certificate not found available for Steam generation plant in press department which comes under definition of Boiler. Boiler Inspector (government department) shall inspect & certify the boiler as required by Boiler & Pressure Vessels Ordinance, 2002. 5. As required by Environmental Pollution Act 1997, factory shall conduct self monitoring of effluents & emissions. No such report found available. 6. Drinking Water analysis report ref. LES/AF/08/1465 dated 11 June 2008; Analysis results for CATIONS (like Antimony, Arsenic, Lead, Mercury, Nickel, etc.) ANIONS (like chloride, sulfate, etc.) OTHER (like pesticides, tetrachloroethane, etc.) not found reported as required by WHO drinking water standard.

- Plan Of Action:**
- Deadline Date:**
- Supplier CAP:**
- Supplier CAP Date:**
- Action Taken:**
- Plan Complete:**
- Plan Complete Date:**
- Action Verified:**
- Action Verified Text:**
- Action Verified Date:**
- Comments:**

Health and Safety: I. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: 1. Few aisles in the cutting section were blocked with fabric bundles. 2...Cutting section has only 1 Exit. 3...Emergency lights installed are domestic type "tube lights. These may not penetrate smoke incase of Fire. Also these do not illuminate the evacuation paths. 4. Rear aisle in the cutting section is very narrow and workers standing in this area cannot evacuate easily. 5...Fabric bundles were seen stored on the rear aisles and evacuation routes in the Cutting section. 6. Electric cable connecting cutting machine with the mains, was seen lying lose close to the operator's feet. This could hamper easy evacuation and could injury during evacuation. 7. Work stations in trimming section where female workers were working are congested. 8. Access to passages for some sewing

operators, was blocked with cut panel bundle. 9. Large quantity of empty cartons and waste fabric bundles were seen stored against factory wall at the rear end. Few containers containing oil used in boilers are also seen stored here. Smoked cigarette butts and burnt match sticks were seen near these waste fabric bundles. 10. Though factory has a designated smoking area behind the security guard cabin, few workers were seen smoking on the passage way adjacent to the sewing section.

Plan Of Action:
Deadline Date:
Supplier CAP:
Supplier CAP Date:
Action Taken:
Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Health and Safety: J. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: Contents of First Aid (item wise & quantity) do not meet requirements of contents for First Aid Kit as specified by Punjab Factories Rules, 1978 Rule 96(1) Appendix-1 part-c

Plan Of Action:
Deadline Date:
Supplier CAP:
Supplier CAP Date:
Action Taken:
Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Health and Safety: K. Personal Protective Equipment

H&S.11 Workers shall be provided with effective and all necessary personal protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe

670057962G – Pakistan: Antigua

exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to health and safety hazards, including medical waste. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: Cutting machine operator was not using respiratory masks to prevent him from breathing in fabric dust. Fly off from cut fabric was seen on his clothes and on the cutting table. Floating fabric dust was noticed in the sewing sections. Operators were not provided with respiratory masks, to prevent them from breathing in the dust. Most of the eye shields on Over lock machines were not being used. These were seen tied up out of position, using either with string or a rubber band.

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: M. Chemical Management and Training

H&S.13 All chemicals and hazardous substances shall be properly labeled and stored in accordance with applicable laws. Labels shall be placed in the local language and the language(s) spoken by workers, if different from the local language. Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: 1. Barrels containing oil and chemicals were seen stored along with waste material behind the factory building. This area is easily accessible to all employees. 2. Large quantity of empty cartons and waste fabric bundles were seen stored against factory wall at the rear end. Few containers containing oil used in boilers are also seen stored here. Smoked cigarette butts and burnt match sticks were seen near these waste fabric bundles. 3. Chemical containers are not marked.

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

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 Action Verified:
 Action Verified Text:
 Action Verified Date:
 Comments:

Health and Safety: Q. Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: Lighting levels recorded in work stations were - 282 to 308 Lux in Cutting section, 324 in packing section, 247 lux in fine (machine) trimming stations, 199 lux on buttoning machines, 320 lux on over lock machines and 133 to 262 lux at needle points on sewing machines. Lint was seen on electrical installations.

Plan Of Action:
 Deadline Date:
 Supplier CAP:
 Supplier CAP Date:
 Action Taken:
 Plan Complete:
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 Action Verified:
 Action Verified Text:
 Action Verified Date:
 Comments:

Health and Safety: R. Machinery Maintenance and Worker Training

H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly guarded. Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use. Employers shall ensure safety instructions are either displayed/posted near all machinery or are readily accessible to the workers. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: 1. Needle guards are tampered on all sewing machines. These were also missing on few. 2. Pedal mats were missing on few machines. Few workers were seen operating these machines bare feet. This could cause injury due to electric shock. 3. Finger guard was missing on the snap button machine.

4.Under motor pulley guards are missing from some sewing and over lock machines,

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

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Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: T. Bodily Strain

H&S.20 Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains. Employers shall train workers in proper lifting techniques and items such as belts shall be provided. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation:

While workers with sitting jobs are provided with hard wooden stools, those with standing jobs are standing on hard surfaces. While few of female workers were seen wearing hard soled high heeled footwear few workers were seen working barefeet.

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: V. Sanitation in Factory Facilities

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

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent	T - Group Solutions Pvt	1 (out of 5)

External
Monitoring Ltd

Explanation: Doors in the toilets are corroded. Cloth towels are provided in toilets. Workers interviewed stated that most often they do not use these towels as they remain wet due to constant use by most workers

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: Y. Food Preparation

H&S.25 All food made available to workers shall be prepared, stored, and served in a safe and sanitary manner in accordance with all applicable laws. All workers handling food shall be provided with the tools and equipment necessary to do so in a safe and sanitary manner. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: Canteen facility has not been provided as required by West Pakistan Factory Canteen rules 1959. Management stated that work is in process on the installation of a Canteen. No tables or chairs are provided on the terrace where workers have lunch. They sit on the floor and have lunch.

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Hours of Work: A. General Compliance Hours of Work

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

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Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: Working hours / shift timings / breaks not displayed on factory main entrance

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Hours of Work: B. Rest Day

HOW.2 Workers shall be entitled to at least one day off in every seven-day period. If workers must work on a rest day, an alternative day off must be provided within that same seven-day period or immediately following the seven-day period. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: Attendance records for mechanics/electricians reflect rest days on 26-Oct-08 & 16-Nov-08, whereas "Daily Mechanic Performance Report" in the workshop, reflects that electricians code # **** & **** had worked on 26-Oct-2008 & 16-Nov-08. Moreover, as per "Daily Garment Receipt Note" (a record of pieces stitched by piece rated workers) of 02-Nov-2008 (Sunday - rest day), a worker ***NAME*** # **** in stitching hall # 3 had worked on 02-Nov-2008, whereas his time record reflects that he was on a weekly off on that day. Review of outward gate pass #s ****, ****, ****, **** dated 12-Oct-08 (Sunday - Rest day), gate passes #s **** dated 02-Nov-08 Sunday and gate passes #**** dated 09-Nov-08 Sunday reveal that the store staff were present on the dates mentioned above. However, there are no entries in corresponding time records

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Hours of Work: D. Protected Workers (Women and Young Workers)

HOW.4 The factory shall comply with all applicable laws governing work hours regulating or limiting the nature, frequency and volume of work performed by women or workers under the age of 18. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: Female workers stated that at times they have worked till 11 pm. This does not comply with legal requirements.

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Hours of Work: F. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: Total overtime hours worked in Oct 08, as stated by workers did not match with hours reflected on pay records produced for review. In some cases, the workers stated that they had worked 40 to 45 hours of overtime in the month for which they were compensated, however only 11 to 12 hours is reflected on wage records produced for review. It appears that a second set of time records is being maintained which records actual overtime hours worked and work done on rest days. This set was not produced for review. Attendance record does not match with actual production record of piece rated stitcher workers. For example; (1) Piece rated worker (stitcher) code **** - attendance record reflects that he was absent on 30-Aug-08 (Saturday) whereas production record reflects that he was at work and had stitched 337 pieces of garments for work order #***-***. (2) Stitcher code ****; attendance record reflects that he was present on

31-Jul-08, 01-Aug-08 & 02-Aug-08 but production record reflects that he was absent on said dates. Attendance records for mechanics/electricians reflect rest days on 26-Oct-08 & 16-Nov-08, whereas Daily Mechanic Performance Report in the workshop, reflects that electricians code # **** & **** had worked on 26-Oct-2008 & 16-Nov-08. Moreover, as per Daily Garment Receipt Note (a record of pieces stitched by piece rated workers) of 02-Nov-2008 (Sunday - rest day), a worker **NAME** # *** in stitching hall # 3 had worked on 02-Nov-2008, whereas his time record reflects that he was on a weekly off on that day. Review of outward gate pass #s ****, ****, ****, **** dated 12-Oct-08 (Sunday - Rest day), gate passes #s **** dated 02-Nov-08 Sunday and gate passes # **** dated 09-Nov-08 Sunday reveal that the store staff were present on the dates mentioned above. However, there are no entries in corresponding time records. Workers do not swipe their cards when they work on rest days.

Plan Of Action:
Deadline Date:
Supplier CAP:
Supplier CAP Date:
Action Taken:
Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Hours of Work: K. Extraordinary Business Circumstance/Forced Labor

HOW.11 In case of extraordinary business circumstances, employers shall make reasonable efforts to secure voluntary overtime work prior to mandating involuntary overtime. Employers must get workers voluntary consent periodically for all overtime that is above the 12 hours as provided for in the Code and that is not due to extraordinary business circumstances. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: Factory does not have any documented system to ensure that Overtime is voluntary.

Plan Of Action:
Deadline Date:
Supplier CAP:
Supplier CAP Date:
Action Taken:
Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:

Comments:

Hours of Work: N. Annual Leave

HOW.14 Employers shall provide workers with paid annual leave as required under local laws, regulations and procedures. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: As stated by the management, Factory does not allow 14 consecutive days of Annual Leave for workers. This does not comply with requirement of Factories Act, 1934; Section 49-B. Factory has never paid balance of Annual Leave as "Annual Leave Encashment" to any worker, as required by Factories Act, 1934; Section 49-B (3)

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Hours of Work: S. Sick Leave

HOW.19 Employers shall provide workers with sick leave as required under local laws, regulations and procedures. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: As stated by the management ,Factory allows 8 days sick leave whereas Factories Act, 1934; Section 49-H requires 16 days of sick leave to be provided to all workers. As stated by the management, during probation period workers are not provided with Casual or Sick Leave. As per Factories Act, 1934; Section 49-H "every worker shall be entitled to sick & casual leave".

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:
 Action Verified:
 Action Verified Text:
 Action Verified Date:
 Comments:

Hours of Work: W. Other - Hours of Work

Other

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/19/2008	External	FLA Independent External Monitoring	T - Group Solutions Pvt Ltd	1 (out of 5)

Explanation: Though time records for Security Guards were reviewed, actual working hours could not be verified though they stated that they work on 8 hour shifts. Corresponding records for "Security Guard Duty Register" and/or "Charge Handover/Takeover Register" and/or "Security Log Book", etc were not available for review. Factory had hired "Security Company Name" to provide security services. Review of contract between security company & factory; reveals that the agreed working hours for Lady Searcher & Armed Guard are 12 hours per day

Plan Of Action:
 Deadline Date:
 Supplier CAP:
 Supplier CAP Date:
 Action Taken:
 Plan Complete:
 Plan Complete Date:
 Action Verified:
 Action Verified Text:
 Action Verified Date:
 Comments:
