



2010

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL VERIFICATION REPORT*

COMPANY: Russell Brands LLC
COUNTRY: Jordan
FACTORY CODE: 260239858GV
MONITOR: Level Works
AUDIT DATE: October 25, 2010
PRODUCTS: Knitwear, Athletic Wear,
Sportswear
PROCESSES: Cutting, Sewing, Embroidery,
Finishing, Packing
NUMBER OF WORKERS: 1176

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



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Wages, Benefits and Overtime Compensation: General Compliance Wages, Benefits and Overtime Compensation

WBOT.1 Employers shall comply with all local laws, regulations and procedures concerning the payment of wages and benefits, including overtime compensation. In any case where laws and the FLA Code are contradictory, the standard that provides the greatest protection for workers shall apply. Where provisions are lacking, employers shall take measures to reasonably accommodate matters concerning the payments of wages and benefits, including overtime compensation. (S)

Noncompliance

Explanation: Extra daily overtime lists were found in sewing section. According to this list, the workers worked more than the provided time card details. Some workers worked up to 21:00pm or 22:00pm and one rest day in June 2008. In the closing meeting, the factory accepted this issue, and provided the extra payment records, also called incentive payment. The factory further explained that real working hours data was lost in the software system so that details could not be taken.

E.g., on the overtime list, factory maintained 5 or 6 hours, but explained that this might not be real overtime hours- that 4 hours are overtime and 2 hours are the extra overtime payment. On the extra list, only the total payment was available. They only kept extra incentive payment, and do not mention how much of the payment was for incentive and how much was for extra overtime hours. Therefore, it could not be verified if this payment was for extra overtime payment or other.

Consequently, the factory has double bookkeeping; thus, the payment and overtime wages could not be verified.

Plan Of Action: Immediate action to revise automated salary system.

Deadline Date: 08/31/2008

Supplier CAP: Immediate action: The system has been revised as of August 1, 2008. All the payments will take place on the salary sheet with the payment of August.

Long Term Plan: Factory management has agreed to ensure that there is no ambiguity in the documents and that factory will make all payments of incentive/bonuses on the salary sheet. Also, they will ensure actual time records are provided to all auditors with one set of records during the audit.

Supplier CAP Date: 08/01/2008



Action Taken: [Reviewed the September payroll records and compared them to the June payroll records \(FLA reviewed records\):](#) It was found that the factory had combined all working hours and incentive payments into ONE set of records. Also, we occasionally found Friday work (1) in September and October, with less than 5% of total workforce. Furthermore, it was found that a portion of workers have 12 hours or more of OT a week, sometimes for 4 or 5 hours. It was confirmed with the factory that they paid sufficient OT premium to workers for all hours, as well as for the incentive payment. We observed this on the September payroll record. (Documents submitted.)

Plan Complete: Yes

Plan Complete Date: 08/01/2008

Action Verified: No

Action Verified Text: [COMPLETED:](#) It was noted that overtime hours and their payment showed separately in the payroll records. During the cross checking with production records, worker interview and time records, no inconsistency was noted. It was noted that the factory provided actual time records and its payment to auditor for review. According to provided time records, excessive working hours also provided to auditor for review. For example, the most excessive working hours per day noted as 22 hours a day. Also, up to 2 rest days were noted in the time records and payroll records clearly.

Action Verified Date:



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 compliance status of minimum wages could not be verified due to manipulation of payroll records noted during this audit.

Plan Of Action: The factory management has agreed to ensure to avoid any ambiguity in the documents and factory will make all payment of incentive/bonuses on the salary sheets.

Deadline Date: 08/31/2008

Supplier CAP: Automated system has been updated.

Supplier CAP Date: 08/31/2008

Action Taken: Reviewed the September payroll records and compared them to the June payroll records (FLA reviewed records): It was found that the factory had combined all working hours and incentive payments into ONE set of records. Also, we occasionally found Friday work (1) in September and October, with less than 5% of total workforce. Furthermore, it was found that a portion of workers have 12 hours or more of OT a week, sometimes for 4 or 5 hours. It was confirmed with the factory that they paid sufficient OT premium to workers for all hours, as well as for the incentive payment. We observed this on the September payroll record. (Documents submitted.)

Plan Complete: Yes

Plan Complete Date: 08/31/2008

Action Verified: No

Action Verified Text: COMPLETED: During the review of payroll records it was noted that the minimum wage noted as 110 JD, which is equal to national minimum wage in Jordan.



Action Verified Date: 10/25/2010

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: The compliance status of overtime wages could not be verified due to manipulation of payroll records noted during this audit.

Plan Of Action: Supplier agrees to revise the system to correct payments on the salary sheet.

Deadline Date: 08/31/2008

Supplier CAP: The automated system has been revised and corrected as of August 1, 2008. All of the payments are taking place on the salary sheet starting from the payment of August 2008. This can be verified any time.

Supplier CAP Date: 08/31/2008

Action Taken: Reviewed the September payroll records and compared them to the June payroll records (FLA reviewed records): It was found that the factory had combined all working hours and incentive payments into ONE set of records. Also, we occasionally found Friday work (1) in September and October, with less than 5% of total workforce. Furthermore, it was found that a portion of workers have 12 hours or more of OT a week, sometimes for 4 or 5 hours. It was confirmed with the factory that they paid sufficient OT premium to workers for all hours, as well as for the incentive payment. We observed this on the September payroll record. (Documents submitted.)

Plan Complete: Yes



Plan Complete Date: 09/30/2008

Action Verified: No

Action Verified Text: COMPLETED: During the review of time records and payroll records review, it was noted that the overtime was paid as required by law.

Action Verified Date: 10/25/2010

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: Overtime payment shall not be lower than 125% of employee's normal rate for overtime on normal workdays, and not lower than 150% on rest days and official public holidays (Jordanian Labor Law, Article 59). Compliance status of wages and overtime payments could not be verified due to manipulation of payroll records noted during this audit.

Plan Of Action: Factory management has updated automated system to ensure there is no ambiguity in the documents. Factory will make all payments accurate of 125% of employee's normal rate for overtime on normal workdays and 150% on rest days and official public holidays.

Deadline Date: 08/31/2008



Supplier CAP: Action complete and could be verified from August 2008 and September 2008 on salary sheets.

Supplier CAP Date: 08/31/2008

Action Taken: Reviewed the September payroll records and compared them to the June payroll records (FLA reviewed records): It was found that the factory had combined all working hours and incentive payments into ONE set of records. Also, we occasionally found Friday work (1) in September and October, with less than 5% of total workforce. Furthermore, it was found that a portion of workers have 12 hours or more of OT a week, sometimes for 4 or 5 hours. It was confirmed with the factory that they paid sufficient OT premium to workers for all hours, as well as for the incentive payment. We observed this on the September payroll record. (Documents submitted.)

Plan Complete: Yes

Plan Complete Date: 08/31/2008

Action Verified: No

Action Verified Text: COMPLETED: During the review of time records and payroll records review it was noted that overtime was paid as required by law, 125% of employee's normal rate for overtime on normal workdays, and not lower than 150% on rest days and official public holidays. (Jordanian Labor Law, Article 59)

Action Verified Date: 10/25/2010

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: Overtime payment shall not be lower than 125% of employee's normal rate for overtime on normal workdays, and not lower than 150% on rest days and official public holidays (Jordanian Labor Law, Article 59). Compliance status of wages and overtime payments could not be verified due to manipulation of payroll records noted during this audit.

Plan Of Action: Automated system revisions.

Deadline Date: 08/31/2008

Supplier CAP: Factory management has updated automated system to ensure there is no ambiguity in the documents. Factory will make all payments accurate of 125% of employee normal rate for overtime on normal workdays and 150% on rest days and official public holidays. It could be verified from August and September 2008 salary sheets that all payments are calculated and settled accurately according to Jordanian Labor Law and that payroll records are maintained on site at facility.

Supplier CAP Date: 08/31/2008

Action Taken: Reviewed the September payroll records and compared them to the June payroll records (FLA reviewed records): Overtime payment shall not be lower than 125% of employee's normal rate for overtime on normal workdays, and not lower than 150% on rest days and official public holidays (Jordanian Labor Law, Article 59). Compliance status of wages and overtime payments could not be verified due to manipulation of payroll records noted during this audit. (Documents submitted.)

Plan Complete: Yes

Plan Complete Date: 08/31/2008

Action Verified: No

Action Verified Text: [COMPLETED](#): During the review of time records and payroll records review it was noted that the overtime was paid as required by law, 125% of employee's normal rate for overtime on normal workdays, and not lower than 150% on rest days and official public holidays (Jordanian Labor Law, Article 59).

Action Verified Date: [10/25/2010](#)

Wages, Benefits and Overtime Compensation: Overtime Compensation Awareness

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

Noncompliance

Explanation: [Workers were not aware of their wages and benefits and do not know exact calculations.](#)

Plan Of Action: [Supplier will provide details of wages to workers.](#)

Deadline Date: [04/30/2009](#)

Supplier CAP: [We have circulated handbook to all workers mentioning all calculations for basic working hours and overtime. It is also posted inside factory in all employees' languages. Training program took place in facility.](#)

Supplier CAP Date: [08/31/2008](#)

Action Taken:

1. Posted wage calculation in workers' local languages in bulletin board (photo provided);
2. Reviewed handbook in Sri Lankan, Bengali, and Urdu languages in employee orientation training, which stated the OT calculation;
3. In progress as factory is establishing live training for all HR policy starting by December 2008, continuing through March 2009.

Hanes revisit, January 1, 2009: Live training on overtime and wage calculation has not been given yet.

Russell feedback, February 9, 2009: Training will continue through March 2009. The new Handbook distribution completed and CD playing on daily basis on awareness of some general rules and regulations. Live training specifically for Overtime and Wages Calculation will start from February 10, 2009.

Hanes using agent compliance auditor performed audit on April 14, 2009: Live training on overtime and wage calculation is still going on. Training has not been given to around 400 workers. It will be given to all workers until end of April. Please refer to photos and attachment #1 for sample of signed participant list.

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: COMPLETED: It was noted that the workers were aware of their wages and benefits. As per interview, the workers also provide the exact calculations. It was also noted that examples of the overtime calculation method were posted on several announcement boards at the factory in every language.

Action Verified Date: 10/25/2010



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: The compliance status of minimum wages and overtime compensations could not be verified due to manipulation of payroll records noted during this audit.

Plan Of Action: Supplier will update automated system to provide details.

Deadline Date: 08/31/2008

Supplier CAP: The automated system has been revised and corrected as of August 1, 2008. All of the payments are taking place on the salary sheet starting from the payment of August 2008.

Supplier CAP Date: 08/01/2008

Action Taken: Reviewed the September payroll records and compared them to the June payroll records (FLA reviewed records): It was found that the factory had combined all working hours and incentive payments into ONE set of records. Also, we occasionally found Friday work (1) in September and October, with less than 5% of total workforce. Furthermore, it was found that a portion of workers have 12 hours or more of OT a week, sometimes for 4 or 5 hours. It was confirmed with the factory that they paid sufficient OT premium to workers for all hours, as well as for the incentive payment. We observed this on the September payroll record. (Documents submitted.)

Plan Complete: Yes

Plan Complete Date: 08/01/2008

Action Verified: No

Action Verified Text: [COMPLETED](#): During the review of payroll records it was noted that the minimum wage noted as 110 JD, which is equal to national minimum wage in Jordan.

Action Verified Text:

Action Verified Date: [10/25/2010](#)

Action Verified Date:

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: [Factory has double bookkeeping system. Some hours are reflected on time cards and payrolls. However, excessive overtime hours are kept on manual attendance lists; payment is recorded on a separate sheet, called incentive payment. No further supportive records were available. Therefore, extra overtime payments could not be verified.](#)

Plan Of Action: [The factory management will ensure to avoid any ambiguity in the documents.](#)

Deadline Date: [08/31/2008](#)

Deadline Date:

Supplier CAP: [The factory will make all payment of working hours on the salary sheets.](#)

Supplier CAP Date: [08/31/2008](#)

Supplier CAP Date:



Action Taken: [Reviewed the September payroll records and compared them to the June payroll records \(FLA reviewed records\):](#) It was found that the factory had combined all working hours and incentive payments into ONE set of records. Also, we occasionally found Friday work (1) in September and October, with less than 5% of total workforce. Furthermore, it was found that a portion of workers have 12 hours or more of OT a week, sometimes for 4 or 5 hours. It was confirmed with the factory that they paid sufficient OT premium to workers for all hours, as well as for the incentive payment. We observed this on the September payroll record. (Documents submitted.)

Plan Complete: Yes

Plan Complete Date:

Action Verified: No

Action Verified Text: [COMPLETED:](#) It was noted that all worked hours reflected on the time cards and payroll records. No overtime hours and payment showed under incentive section in the payrolls.

Action Verified Date: 10/25/2010



Wages, Benefits and Overtime Compensation: 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)

Noncompliance

Explanation: Second payment lists for extra overtime hours were available, but no details were kept in the records and no total overtime hours were maintained. The real working hours data was not kept, either. Therefore, extra overtime payments could not be verified.

Plan Of Action: Factory management to agree to avoid any ambiguity of salary documents.

Deadline Date: 10/31/2008

Supplier CAP: Company provides workers payroll including OT hours for normal workdays and overtime hours of rest days and official public holidays, respectively.

Supplier CAP Date: 10/31/2008

Action Taken: Reviewed the September payroll records and compared them to the June payroll records (FLA reviewed records): It was found that the factory had combined all working hours and incentive payments into ONE set of records. Also, we occasionally found Friday work (1) in September and October, with less than 5% of total workforce. Furthermore, it was found that a portion of workers have 12 hours or more of OT a week, sometimes for 4 or 5 hours. It was confirmed with the factory that they paid sufficient OT premium to workers for all hours, as well as for the incentive payment. We observed this on the September payroll record. (Documents submitted.)

Plan Complete: No

Plan Complete Date: 10/31/2008

Action Verified: No



Action Verified Text: [COMPLETED: The payrolls showed all worked hours and overtime hours with their payment. There was no hidden payment under incentive section.](#)

Action Verified Date: [10/25/2010](#)

Wages, Benefits and Overtime Compensation: Worker Wage Awareness

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

Noncompliance

Explanation: [Most workers were not aware of the overtime payment system exactly.](#)

Plan Of Action: [Factory will provide informational materials to all workers.](#)

Deadline Date: [04/30/2009](#)

Supplier CAP: [We have circulated handbook to all workers mentioning all calculation for basic working hours and overtime, also posted it inside the factory in all employees' languages. Workers training will be conducted on continual basis to explain the payroll calculation.](#)

Supplier CAP Date: [03/31/2009](#)

Action Taken:

1. Posted the wage calculation in workers' local languages on bulletin board (photo provided);
2. Reviewed the handbook in Sri Lankan, Bengali, and Urdu languages in the employee orientation training, which stated the OT calculation;
3. In progress as factory is establishing live training for all HR policy starting by December 2008 and continuing through March 2009.

Hanes revisit, January 1, 2009: Live training about overtime and wage calculation has not been given yet.

Russell feedback February 9, 2009: Training will continue through March 2009. The new Handbook distribution completed and CD playing on daily basis on awareness of some general rule and regulations. The live training specifically for Overtime and Wages Calculation will start from February 10, 2009.

Hanes using a compliance auditor agent who performed audit on April 14, 2009: Live training about overtime and wage calculation is still going on. Training has not been given to around 400 workers. It will be given to all workers until the end of April. Please refer to the photos and attachment #1 for a sample of the signed participant list.

Plan Complete: No

Plan Complete Date:

Action Verified: No

Action Verified Text: COMPLETED: All interviewed workers stated their wages, overtime hours and payment bonuses clearly to cross check with their payrolls, which were provided by factory management to auditor for review.

Action Verified Date: 10/25/2010

Harassment or Abuse: Discipline/Monetary Fines and Penalties

H&A.8 Employers shall not use monetary fines and penalties as a means to maintain labor discipline, including for poor performance or for violating company rules, regulations, and policies. (S)

Noncompliance

Explanation: Factory has detailed disciplinary policy, which is posted on notice boards in workers' local language. Disciplinary rules not against labor law and approved by Ministry of Labor, but policy is not objective and fair. E.g., if worker absent without excuse, first time factory can deduct 1 day's salary; second time, 2 day's salary; third time, 3 day's salary, etc. (As per provided payroll and worker interviews, these disciplinary rules not used in factory.)

Plan Of Action: The factory will prepare detailed disciplinary policy.

Deadline Date: 04/30/2009

Supplier CAP: Factory prepared detailed disciplinary policy and it is posted on the notice boards in the local language of the workers. As per company policy, we are completely following rules and regulations. Factory will work with Ministry of Labor (MOL) to rectify certification.

Supplier CAP Date: 01/31/2009



Action Taken: We confirmed with workers that factory did not deduct wages for disciplinary purposes. Also, we did not find such items in payroll records.

Hanes revisit January 6, 2009: We confirmed with workers factory did not deduct wages for disciplinary purposes. Also, we did not find such items in payroll records. Factory considered FLA advice to modify current policy, to not use monetary method, but proposed other methods, e.g., suspended worker to work if violated company policy. Factory revised policy (by law) and sent to MOL for approval. E.g., before revision, if worker absent without excuse, first time factory could deduct 1 day's salary, second time 2 day's salary, third time 3 day's salary, etc. After revision, if worker absent without excuse, the first time, factory can deduct 1 day's salary; second time, warning letter with 1 day salary deduction; third time, 2nd warning letter with 1 day salary deduction. (Table for penalties submitted.) Factory awaiting approval from customer in order to finalize it.

Russell visit, February 9, 2009: Factory awaiting approval from local ministry, and as soon as it is received, they will post it in factory. Revised chart shown to auditors.

Hanes using a compliance auditor agent who performed audit on April 14, 2009: Factory got approval from MOL for by law. Please refer to attachment #2 for approved by law.

Plan Complete: Yes

Plan Complete Date: 08/01/2009

Action Verified: No

Action Verified Text: COMPLETED: It was noted that the factory has revised the disciplinary policy and posted it on the announcement board in workers' language. The workers will not be deducted any salary against absence without excuse; this disciplinary policy also approved by MOL.

Action Verified Date: 10/25/2010

Non-Discrimination: General Compliance Non-Discrimination

D.1 Employers shall comply with all local laws, regulations and procedures concerning non-discrimination. (S)

Noncompliance

Explanation: All foreign workers' annual leave is paid after the completion of their contracts, although it is paid annually to local workers. Annual leave payment is done with final settlements. As per workers' information, factory is paying annual leave correctly; this is a common practice of factories in Jordan.

Jordanian Labor Law, Article 61: Every employee shall be entitled to a 14-day annual leave with full pay for every year of service.

Plan Of Action: Will guarantee workers get annual leave.

Deadline Date: 04/30/2009

Supplier CAP: Documentation will be maintained to provide 14-day annual leave.

Supplier CAP Date: 09/30/2008

Action Taken: Factory had settled owed annual leave for the foreign workers whose contract ended in September. Factory will complete payment of previous annual owned leave amounts by April 2009. Payment schedule will be provided.

Hanes visit, January 6, 2009: Factory had settled owed annual leave for those foreign workers whose contract ended in December 2008. For ones whose contract will end in January and February 2009, they will pay owed annual leaves until end of February 2009.

Russell visit February 9, 2009: Factory is on track for agreed remediation.

Hanes using a compliance auditor agent who performed audit on April 14, 2009: They are paying annual leaves to workers who finish their 3 year contract. They will pay owed annual leaves until end of November 2009 (please refer to attachment #3).

Plan Complete: No

**Plan
Complete
Date:**

**Action
Verified:** No

**Action
Verified
Text:** PENDING: Annual leave for migrant workers continues to be paid after the completion of worker's contracts and not annually, as it is paid to local workers and required by law. [Article 61: Every employee shall be entitled to a 14-day annual leave with full pay for every year of service]. Based on record review, annual leave payment is done with the final settlements. By law, workers have 14 days of annual leave, in which case migrant workers were found to be paid for 42 days at the end of a 3-year's contract period.

Remarks: 1. This is a common practice for factories in Jordan, 3 years is the norm.

**Action
Verified
Date:** 10/25/2010

**Follow Up
Plan of
Action:** February 22, 2011: Management will pay annual leave for all employees, including migrant workers. As per new policy, factory will complete distribution of payment for annual leaves to employees within 3 months from January 2011 onward.

Deadline Date: April 10, 2011



Code Awareness:

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

Noncompliance

Explanation: Most workers not aware of any code elements. Workers trained only on WRAP. Factory management not communicated to about FLA and the related procedures. Management not aware of audit and they did not understand what FLA was. Monitor explained FLA and its obligations to factory management during opening meeting. Russell company did not conduct any compliance audits at factory and WRAP certificate was accepted. Hanes audit was conducted by ITS. Therefore, no direct visits were conducted.

Plan Of Action: Supplier will be informed of FLA Code elements.

Deadline Date: 09/30/2008

Supplier CAP: All workers have been notified of the Code elements, the FLA and the audit procedures.

Supplier CAP Date: 09/30/2008

Action Taken: Hanes VP and Senior Manager of CSR held a compliance meeting November 5, 2008 and invited all suppliers in Jordan to introduce FLA requirements in detail. Plant was visited by Hanes management on September 3, 2008 and November 10, 2008.

Plan Complete: Yes

Plan Complete Date: 11/10/2008

Action Verified: No



Action Verified Text: [COMPLETED: Factory management provided FLA, WRAP and its code elements training to workers regularly. The first training has been performed in November 2008. The interviewed workers were aware of FLA.](#)

Action Verified Date: [10/25/2010](#)

Code Awareness:

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.

Noncompliance

Explanation: [There was a poster for Hanes, posted on notice board, but there was no contact number. No Russell posters were posted and no contact numbers were available.](#)

Plan Of Action: [All translated Codes of Conduct have been distributed.](#)

Deadline Date: [04/30/2009](#)

Supplier CAP: [Supplier has already posted Russell Corporation's Code of Conduct in translated languages. Factory has set in place procedures for secure communication channels in an appropriate manner to make factory employees capable of reporting on noncompliances within the workplace, without being punished or with prejudice for doing so. \(Updated by Russell, April 22, 2009\)](#)

Supplier CAP Date: [08/31/2008](#)

Action Taken: [Employees can directly inform general manager of factory. Employees can send their concerns in suggestion box. Employees can directly communicate with labor ministry. Employees can directly communicate with labor union. \(Updated by Russell, April 22, 2009\)](#)

**Plan
Complete:** [Yes](#)

**Plan
Complete
Date:**

**Action
Verified:** [No](#)

**Action
Verified
Text:** [COMPLETED: Russell posters were posted and contact numbers were available.](#)

**Action
Verified
Date:** [10/25/2010](#)

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: The first aid boxes were mostly empty in most sections.

Plan Of Action: Immediate action to provide all missing first aid materials.

Deadline Date: 08/31/2008

Supplier CAP: Immediate Action Taken: All missing materials have been provided for all first aid kits at factory and dormitories. A meeting has been held on August 31, 2008 regarding control system for first aid boxes by safety officer and nurses. During the meeting, system for checking first aid kits has been discussed and new rules implemented in order to avoid such incidents.

Supplier CAP Date: 08/31/2008

Action Taken: It was found out that checklists had been put in first aid kits. Also found was the signature of nurse who checked and signed on a daily basis. (Photo attachment)

Plan Complete: Yes

Plan Complete Date: 08/31/2008

Action Verified: No

Action Verified Text: COMPLETED: It was noted that the first aid boxes were full.

Action 10/25/2010
Verified
Date:

Health and Safety: Personal Protective Equipment

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

Noncompliance

Explanation: In sewing section, spot removers were used, but workers were not using PPE. (As per Jordanian Labor Law, Article 78 a2, the employer must provide employees with personal protection and prevention means from hazardous work such as clothes, eyeglasses, gloves, shoes.)

Plan Of Action: Immediate action to remove stain removers.

Deadline Date: 08/31/2008

Supplier CAP: Immediate Action: Stain removers have been removed immediately from production area. Meeting has been held August 31, 2008 regarding new procedure about PPE usage awareness between HR manager, compliance officer, health and safety officer and supervisors. During meeting, supervisors have been informed again about importance of PPE usage.

Long Term Plan: We have implemented a procedure including articles like involving the supervisors/line leaders to monitor process on daily basis, increase PPE training and meeting, introduce incentive system to improve worker awareness in terms of health and safety, etc. Effectiveness of procedure will be followed up by compliance officer. Application will be in place as of September 2008.

Supplier CAP Date: 08/31/2008

Action Taken: It was found that stain removers had been removed from production area. Also, factory safety committee had started to work on safety trainings in effect from September 2008, which include PPE usage; this training will cover all production workers. They had prepared training agenda, name list and photos for review. However, we had advised them to request participants to sign in on attendance list. (Attachment for training schedules submitted.) Stain removers have been removed in production area. Factory safety committee has started to work on safety training beginning in September, which included PPE usage; this training would be covered for all production and kitchen workers. (Updated by Russell April 22, 2009)

Plan Complete: Yes

Plan Complete Date: 08/31/2008

Action Verified Text: ONGOING: Workers in the sewing section were still not using PPE such as masks and gloves while working with spot removers. The masks and gloves are actually being provided by management and records indicate that appropriate training has been given to these workers. MSDS were also posted in the area where the Spot Cleaner was being used.

Action Verified Date: 10/25/2010

Follow Up Plan of Action: Plan of Action: Factory management will work with H&S Committee and middle management to improve the awareness and importance of using PPE. Factory will increase the H&S Committee members within all departments to keep checking and training employees concerning the proper use of PPE.

Action Taken: Safety Committee had started to work on safety trainings in effect from January 2011, which included PPE usage and this training would cover all production workers. They had prepared training agenda, name list and photos for review. (See attachment for training schedules- all training to be complete by June 27.)

Deadline Date: June 27, 2011

Health and Safety: 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)

Noncompliance

Explanation: Kitchen walls must be ceramic and clean; workers should wear proper equipment. Gas cylinders were inside food preparation area; cook and service people not using PPE. All food covers were open. (As per Jordanian Labor Law, Item 79, Article 13, factories should provide clean kitchen with standards; gas ovens and cylinders are to be kept outside.)

Plan Of Action: Immediate action to correct kitchen violations.

Deadline Date: 09/30/2008

Supplier CAP: Immediate Action: Necessary PPE provided to all kitchen staff immediately and kitchen cleaned. Gas cylinder taken out from food preparation area. Meeting held August 31, 2008, regarding control system of hygienic condition for canteen, kitchen and food preparation areas between HR department, compliance and health & safety officers and kitchen and cleaning supervisors. During meeting, system for checking hygienic condition discussed; new rules implemented; health & safety officer and kitchen supervisor informed to maintain facility per health & safety policy to ensure hygienic places and people are available in factory canteen, kitchen and food preparation areas in order to avoid such incidents. Compliance and health & safety officers assigned to start filling in comprehensive checklist on a regular basis and to strictly monitor this practice as of September 2008.

Long Term Plan: We have implemented procedure for control system of hygienic conditions for canteen, kitchen and food preparation areas. Procedure effectiveness will be followed up by compliance officer. Application will be in place as of September 2008.

Supplier CAP Date: 09/30/2008

Action Taken: They had provided PPE to kitchen staff, but some of them were not using it. Gas cylinder had been taken out (photo attached). Kitchen staff training (including PPE usage) had been conducted starting from September 2008 (training schedules submitted).

Hanes visit, January 6, 2009: They had provided PPE to kitchen staff, but some of them were not using it. 1 out of 4 gas cylinders was inside cooking area. Kitchen staff training (including PPE usage) had been conducted starting from September. There were noticeable insects in the cooking area.

Russell visit, February 9, 2009: Repair work is going on in kitchen. Management has allocated a separate place for gas cylinder, confirming that it will no longer be an issue in the future. Instructed kitchen supervisor in charge and maintenance department to make sure pesticide spray for insects is proper.

Hanes using a compliance auditor agent who performed audit on April 14, 2009: Factory had provided PPE to kitchen staff, but some of them were not using PPE.

Plan Complete: Yes

Plan Complete Date: 09/30/2008

Action Verified Text: ONGOING: Gas cylinders still inside food preparation area; cook and service people still not using necessary PPE. All food covers still remain opened, not used properly. Management stated they had intended to relocate gas cylinder after first audit occurred. However, most recently, they moved cylinders again, back inside food preparation area, as they still did not find a proper place to relocate the cylinder. Management stated they have also provided masks and gloves to cooks and service people, but they just don't use them. In this visit, kitchen was clean and provided with necessary ceramic walls.

Action Verified Date: 10/25/2010

Follow Up Plan of Action : Plan of Action: Factory management will create a policy to ensure and monitor food preparation and proper use of PPE.

Action Taken: Provided PPE for kitchen staff to use. Gas cylinder had been taken out. (Photo attachment.) Kitchen staff training (including PPE usage) had been conducted starting from December 2010. (Refer to the attachment- training schedules.)

Deadline Date: December 30, 2010

Hours of Work: General Compliance Hours of Work

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

Noncompliance

Explanation: Compliance status of overtime hours and rest days could not be verified due to manipulation of records noted during this audit.

Plan Of Action: To have factory correct and verify payroll process.

Deadline Date: 09/30/2008

Supplier CAP: The payroll automated system has been corrected to verify accuracy.

Supplier CAP Date: 09/30/2008

Action Taken: Reviewed the September payroll records and compared them to the June payroll records (FLA reviewed records): It was found that the factory had combined all working hours and incentive payments into ONE set of records. Also, we occasionally found Friday work (1) in September and October, with less than 5% of total workforce. Furthermore, it was found that a portion of workers have 12 hours or more of OT a week, sometimes for 4 or 5 hours. It was confirmed with the factory that they paid sufficient OT premium to workers for all hours, as well as for the incentive payment. We observed the September payroll record with this item. (Documents submitted)

Hanes using a compliance auditor agent who performed audit on April 14, 2009: No Friday work has been observed in March. In April, 34 workers worked April 3; 25 workers worked on April 10. They are paid sufficient OT wages and is voluntary to take OT.

Plan Complete: Yes

Plan Complete Date: 09/30/2008

Action Verified: No

Action Verified Text: COMPLETED: Daily production records, piece rate records and overtime records were cross checked with the time records, which were provided by the management and no inconsistencies were noted. The factory provided one bookkeeping system. Both time cards and payroll reflect all work hours, including excessive overtime hours and rest days. The swipe card system appears to be effective and records all working hours.

Action Verified Date: 10/25/2010

Hours of Work: General Compliance Hours of Work

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

Noncompliance

Explanation: NEW FINDING: As per provided time records and worker interviews:

1. It was noted that foreign workers from finishing, cutting and sewing sections (around 90% of work force are foreigners) worked between 63.5 to 85.5 hours per week [including one Friday (rest day)] in July to October 2010.

2. It was noted that the combined (regular + overtime) daily working hours exceed 10 hours per day. The latest clock-out time on a given day was 8:00am the following morning in September 2010, equal to a total of 22 consecutive worked hours per day.

[In accordance with the Jordanian Labor Law article 56, the ordinary working hours shall be 8 hours per day, provided that the total working hours do not exceed 48 hours per week over a maximum of 6 days, whereby the time allocated for meals and rest shall not be calculated. In accordance with the Jordanian Labor Law article 57, the actual working hours do not exceed 10 hours every day.]

Plan Of Action: [February 22, 2011:](#) The Management of [Factory name] is confirming they will create a policy to keep working to a maximum of 10 hours per day, regardless of production season with a rest day in every week. The policy will be communicated through the department heads to all with immediate effect. Also, management will review the employees' records on weekly basis to make sure of the policy's implementation.

Deadline Date: [12/01/2010](#)

Action Taken:

Plan Complete: [No](#)

Plan Complete Date:

Hours of Work: 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)

Noncompliance

Explanation: [Compliance status of rest days could not be verified due to manipulation of records noted during this audit. \(As per Jordanian Labor Law, Article 60, the employing unit shall guarantee that its staff and workers have at least one day off in a week.\)](#)

Plan Of Action: [Factory is to accurately verify payroll.](#)

Deadline Date: [09/30/2008](#)

Supplier CAP: [To correct and verify all payroll.](#)



Supplier CAP 09/30/2008

Date:

Action Taken: Attendance has been revised as of August 1, 2008. Factory management is committed to give one rest day per week.

Hanes visit January 6, 2009: Compliance status of rest days could not be verified. During interviews, 25% of workers mentioned they worked 1 Friday in November; however, no Friday work has been observed on the time records that have been provided. Workers further mentioned they worked a half day on Friday (07:00 to 12:00); they did not punch time cards, but were paid 5 JD in cash for these hours after they finished the work.

Russell visit February 9, 2009: Verifies that some employees worked 1 Friday in October and November, as shown in payrolls. Also noted that employees were paid 1 JD each hour. Will verify calculation.

Hanes using a compliance auditor agent who performed audit on April 14, 2009: No Friday work has been observed in March. In April, 34 workers worked April 3; 25 workers worked April 10. They are paid sufficient OT wages and it is voluntary to take OT. (Factory presented genuine records, though it has rest day work.)

Plan Complete: Yes

Plan Complete Date: 09/30/2008

Action Verified: No

Action Verified Text: COMPLETED: Daily production records, piece rate records and overtime records were cross checked with the time records which were provided by the management and no inconsistencies were noted. The factory provided one bookkeeping system. Both Time Cards and Payroll reflect all work hours, including excessive overtime hours and rest days. The swipe card system appears to be effective and records all working hours.

Action Verified Date: 10/25/2010

Hours of Work: 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)

Noncompliance

Explanation: NEW FINDING: It was observed from the time cards and payroll review that finishing, cutting and sewing workers worked from 1-2 Fridays [rest days] in July to October 2010 without being provided an alternative rest day within that same 7-day period or immediately following the 7-day period; this resulted in up to 20 consecutive days of work in July 2010.

[In accordance with Jordanian Labor Law article 60, Friday of every week shall be the worker's weekly holiday.]

Plan Of Action: February 22, 2011: The management of [Factory name] is confirming they will create a policy to provide a 7th day rest after every 6 consecutive days of work. The policy will be communicated to all relevant departments with immediate effect. Also, management will review the employees' records on a weekly basis to make sure of the policy's implementation.

Deadline Date: 11/01/2010

Action Taken:

Plan Complete: No

Plan Complete Date:

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: Factory has double bookkeeping system. On time cards, only some work hours are reflected. Excessive overtime hours and rest day work are kept manually through overtime lists. However, these lists were not reliable and do not even reflect all actual hours worked. On time card system, actual data was not kept by management, and the hours records were manipulated. Thus, swipe card system is not reliable.

**Plan Of
Action:**

**Deadline
Date:** 09/30/2008

**Supplier
CAP:** Immediate action: System has been revised as of August 1, 2008. All payments will take place on the salary sheet with the payment of August.

Long Term Plan: Factory management has agreed there will be no ambiguity in documents and factory will make all payment of incentive/bonuses on salary sheet. Also, they will ensure to provide actual time records to all auditors with one set of records during the audit.

**Supplier CAP
Date:** 08/01/2008

**Action
Taken:** Reviewed the September payroll records and compared them to the June payroll records (FLA reviewed records): It was found that the factory had combined all working hours and incentive payments into ONE set of records. Also, we occasionally found Friday work (1) in September and October, with less than 5% of total workforce. Furthermore, it was found that a portion of workers have 12 hours or more of OT a week, sometimes for 4 or 5 hours. It was confirmed with the factory that they paid sufficient OT premium to workers for all hours, as well as for the incentive payment. We observed the September payroll record with this item. (Documents submitted)

**Plan
Complete:** Yes



Plan Complete Date: 09/30/2008

Action Verified: No

Action Verified Text: COMPLETED: During this audit no inconsistency records noted. The factory provided one bookkeeping system. On the time cards, work hours are reflected. Excessive overtime hours and rest day work are also showed on the time records and payroll records. The swipe card system was effective to record working hours.

Action Verified Date: 10/25/2010
