

<b>FLA Audit Profile</b>	
<b>Country</b>	EGYPT
<b>Name of Factory</b>	650021713F
<b>Independent External Monitoring Organization</b>	FWF Tunisian Team
<b>Date(s) in Facility</b>	NOVEMBER 17-18, 2007
<b>FLA Affiliated Compan(ies)</b>	SanMar
<b>Number of Workers</b>	550
<b>Product(s)</b>	Woven, Knit Tops and Knit Bottoms
<b>Production Processes</b>	Sewing, packaging, cutting and pressing

SanMar has exited the factory located in Egypt. Reason for leaving is the result of SanMar's ability to factory, thereby reducing lead-times and allowing improvement of product sourcing efficiencies. Rea compliance audit as migration started prior to commencement of the work by FLA monitors. SanMar with vendor and believes responses from vendor are sufficient, and thus has no further plans to re-a regarding these matters. SanMar believes this is reasonable as the audit did not identify any critical is documented vendor's response for each issue of noncompliance in column "Factory Response".

FLA Code/Benchmark	Compliance Status	Describe noncompliance, risk of noncompliance or uncorroborated evidence of noncompliance	List sources/documentation used for reference and corroborating evidence (e.g. worker interviews, factory walkthrough, records review, etc.)	Cite and describe local and/or country laws used for additional reference
<b>1. Code Awareness</b>				
<b>GEN 2:</b> 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	Workers are not aware about code of conduct. The code is posted, but only in English.	Worker interviews and factory walkthrough	
<b>2. Forced Labor</b>				
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.				
F.3 Employment Terms/Voluntary Agreement	Noncompliance	- We find out that some workers did not sign a contract after ten probation days.  - Apprentice workers did not sign apprentice contract with the factory indicating the wage and the number of working hour.	Worker interviews, records review: workers' contracts and files.	Article 32 and 142 of the labor law
<b>3. Child Labor</b>				
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.				
CL.10 Legal Compliance (Apprenticeships and Vocational Training)	Noncompliance	- Apprentice workers did not sign apprentice contract with the factory indicating the wage and the number of working hour	Worker interviews, records review: Time records, workers' contracts and files.	Article 142 of the labor law
<b>4. Harassment or Abuse</b>				
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.				
H&A.2 Discipline/Progressive Discipline	Noncompliance	Sanctions for late arrival applied by the management are severer than the ones foreseen in the disciplinary procedure. Workers coming late to the factory (after 15 minutes) are not allowed to work that day while the disciplinary procedure of the factory cites just a warning when the worker is late for the first time.	Worker interviews, management interview	

FLA Code/Benchmark	Compliance Status	Describe noncompliance, risk of noncompliance or uncorroborated evidence of noncompliance	List sources/documentation used for reference and corroborating evidence (e.g. worker interviews, factory walkthrough, records review, etc.)	Cite and describe local and/or country laws used for additional reference
H&A.3 Discipline/Review of Disciplinary Action	Noncompliance	There is no internal system that includes possibilities for workers to have disciplinary actions imposed on them reviewed by someone at a higher managerial position than the manager who imposed the disciplinary action.	Worker interviews, records review: disciplinary decision	
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.				
<b>6. Health and Safety</b>				
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities.				
H&S.9 Evacuation Requirements and Procedure	Noncompliance	Plan of evacuation does not indicate the meeting place. There is no training on fire safety and evacuation procedure.	Worker interviews, management interview, factory walkthrough and records review	
H&S.13 Chemical Management and Training	Noncompliance	Hazardous chemicals are not well maintained; alcohol is contained in an unidentified container.	Factory walkthrough	
H&S.18 Machinery Maintenance and Worker Training	Noncompliance	In the ironing unit, there is a risk of burning by the cable of the iron.  The system of the evacuation of the boiler is not safe for workers; vapor gets out by a hose that is placed in the ground and without protection.  There is a compressor in workplace that could be an origin of explosion.	Factory walkthrough	
H&S.21 Medical Facilities	Noncompliance	Infirmery is not well equipped. There is no stethoscope and no blood pressure cuff.	Factory walkthrough	
H&S.22 Sanitation in Factory Facilities	Noncompliance	There are dressing rooms, but they are simply separated from the production area by lockers and thus do not provide privacy and comfort.	Factory walkthrough	
H&S.25 Food Preparation	Noncompliance	There is no canteen	Factory walkthrough	
<b>7. Freedom of Association and Collective Bargaining</b>				
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.				
FOA.26 Grievance Procedure	Noncompliance	The factory does not have a written complaint procedure and a grievance system.		

FLA Code/Benchmark	Compliance Status	Describe noncompliance, risk of noncompliance or uncorroborated evidence of noncompliance	List sources/documentation used for reference and corroborating evidence (e.g. worker interviews, factory walkthrough, records review, etc.)	Cite and describe local and/or country laws used for additional reference
<b>8. Hours of Work</b>				
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.				
HOW.3 Meal and Rest Breaks	Noncompliance	The lunch break is only 30 minutes instead of one hour as required by the labor law.	Worker interviews, management interview, factory walkthrough and records review	Article 81 of the labor law
HOW.14 Annual Leave	Noncompliance	The annual leave is allowed only if the reason is accepted by the factory, and in the end of the year, if the balance of the annual leave is not totally consumed the worker loses these days without any compensation.	Worker interviews and records review: annual leave register	
<b>9. Wages, Benefits and Overtime Compensation</b>				
<b>WAGES AND BENEFITS:</b> Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.				
<b>OVERTIME COMPENSATION:</b> In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.				
WBOT.22 Worker Wage Awareness	Noncompliance	The way of setting the production bonus is not clear and not written  The way of setting the unofficial annual rise of wages is also not clear and not written	Worker interviews and records review: annual leave register, monthly wage files	
<b>10. Miscellaneous</b>				
Subcontracting, homework and other issues not covered by above benchmarks and code requirements				





