

FLA Audit Profile			IEV Profile								
Country	Bangladesh		Bangladesh								
Factory name	10000590D		10000590DV								
IEM	PHULKI		PHULKI								
Date(s) in facility	November 16-17, 2005		November 26, 2007								
PC(s)	Phillips-Van Heusen Corp.										
Number of workers	530										
Product(s)	Jackets, Pants, Shorts, Jogging Suits										
Production processes	Cutting, Sewing, Finishing										
IEM Findings											
FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources/ Documentation	Notable Features	PC Remediation Plan	Target Completion Date	Factory Response (Optional)
1. Code Awareness											
Code Posting/Information		FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	Phillips-Van Heusen (PVH) Codes of Conduct (COCs) are posted in Bengali and English only at the main entrance of the production floor. As some unused machines are dumped in front of the notice board, it is difficult for workers to go near the board and read the COCs. On the production floor, where workers spend most of their time, there are no PVH COC's posted.				visual inspection, photograph		PVH COC poster will be moved to a location more accessible to all workers.	1-Jan-06	
Worker/Management Awareness of Code		FLA Principle of Monitoring, Obligation of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.		Management arrange orientation program on COC for workers after recruitment. As the education levels of these workers are very low, it is very difficult to understand COC through a 1-day orientation.			worker and management interviews		Management needs to ensure that there are repeat and periodic trainings to ensure all workers are aware of the COC elements.	1-Dec-05	Workers' training and motivation programs (oral, written, leaflets) have been initiated for all workers. Training team has been formed with Compliance Officer, Welfare Officers, doctor and nurses; training programs are being conducted on a regular basis in batches.
Confidential Noncompliance Reporting Channel		FLA Principle of Monitoring, Obligation of Companies: Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.		Company did not communicate about confidential noncompliance reporting mechanism to general workers.			worker and management interviews		Ensure all workers are aware of the confidential reporting mechanism and all are aware of its uses and benefits.	1-Dec-05	Factory already has a confidential reporting mechanism that includes: who to submit them to, how/where to address them, the responsibility of management, etc. Workers also can raise any noncompliance issue with management through complaint boxes located in a secret place (near workers' toilet). Boxes are opened by management on a regular basis; replies given through reply boards. All workers always have access to Welfare Officer, Compliance Officer, HRD manager and plant-in-charge without any hesitation. 1) Factory has already posted grievance reporting mechanism on notice board. 2) In spite of workers' illiteracy, factory continues program of communicating about grievance procedure orally and written in their native language. There is a lower and mid-level management training program. 3) Training team has been formed with Compliance Officer, Welfare Officers; training programs conducted on regular basis in batches. 4) Factory has taken the following aggressive programs for worker's awareness: a) workers' training and motivation program (oral, written, leaflets) for old workers and b) orientation program (oral, written, handbook) for new employees.
2. Forced Labor											
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.											
3. Child Labor											
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.											
4. Harassment or Abuse											
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.											
Verbal Abuse		Employers will prohibit screaming, threatening, or demeaning verbal language.	Floor-level management (supervisor, line chief, PM) sometimes screams and uses bad language with the general workers when they make mistakes in their work.				worker and management interviews		This behavior must be eliminated immediately.	Feb-06	Factory management never tolerates floor-level management screaming and using bad language towards workers. Management always instructs them to guide workers in their work again and again when they frequently make mistakes. Whenever management is informed about this kind of instance in any way, management will take the necessary disciplinary action against the person(s) at fault. Factory has already introduced an effective grievance handling procedure which includes: who to submit them to, how to address them, where to address them, what the responsibility of management is, etc. This is made known to all workers and floor management, so that this type of instance may be solved immediately. With this system, workers can easily inform management of their grievance(s). Workers can raise their grievance(s) to management through a complaint box located in a confidential place by concealing their name and address. Factory has introduced a motivational training program for floor-level management, so they can abstain from screaming or using bad language and can get the job done by creating a feeling of motivation in workers. Factory management always honors human dignity and prestige and tries to uplift things by creating a congenial working environment for all. Management has circulated a notice that if anybody screams or uses bad language towards any worker, workers should inform management at once.
5. Nondiscrimination											
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.											
6. Health and Safety											
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											

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Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	Aisles are blocked with various equipment and markings have faded away; this may cause difficulty in the evacuation of workers in cases of emergency.					visual inspection, photograph		Aisles need to remain free of obstruction in case of an emergency; markings need to be redone.	1-Dec-05	All aisles are being kept unblocked and free of obstruction. Factory continues safety awareness program for workers and employees. Exit markings have already been repainted; this is being continued.
Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.										
Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.										
Safety Equipment		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	Most of the time first aid boxes are not stocked with adequate first aid kits/medicine. During the visual inspection, the first aid box in the cutting section was found locked. 1 box on the production floor was totally empty; the remaining boxes were not properly equipped with the necessary first aid materials.					visual inspection, worker interviews		Management needs to ensure all first aid kits remain unlocked and fully stocked of the necessary items.	1-Dec-05	As the glass of 1 first aid box was broken, the equipment was removed at once to avoid pilferage. Broken glass was replaced later on. First aid boxes are unlocked now, worker trained in first aid has been working near the box. Empty first aid box was refilled with equipment. All first aid boxes are properly equipped now.
Safety Equipment		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	Some workers who work near fire extinguishers did not know how to operate them.					visual inspection, worker interviews		Factory needs to ensure that at least 40% of the total workforce is trained in the use of fire fighting equipment.	1-Jan-06	Factory has been training workers on the use of fire fighting equipment on a regular basis and training will continue.
Safety Equipment		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	During the visual inspection, 4 buckets were found at the production floor entrance. They were empty (no water or no sand kept in them).					photograph, visual inspection, worker interviews			1-Dec-05	Buckets have been filled with sand.
Personal protective equipment (PPE)		Workers shall wear appropriate 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 hazardous elements including medical waste.	Access to PPE in the cutting sections found, but PPE was not in use. Workers in the sewing section did not have access to PPE and were not using it, although there was cloth dust.					visual inspection; worker and management interviews		Ensure the use of PPE to ensure workers' health and safety.	1-Dec-05	All workers use protective equipment while working. Factory will continue to train workers to ensure that they know what the benefits are to PPE.
Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	On the production floor, there are 2 toilets for male workers; this does not comply with local law. (Per local law there should be 4 toilets per 100 male workers.)					visual inspection; worker and management interviews		Ensure there is an adequate number of male toilets, as per legal requirement.	1-Dec-05	Factory has increased the number of men's lavatories/toilets, as per local legal requirement.
Sanitation in Dining Area		All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building.	1 of the water tanks from where workers drink, was without a filter. As there was no notice of caution, workers were drinking water from it.					photograph, visual inspection, management interviews		Factory management needs to ensure that workers have access to a safe and potable water supply.	1-Dec-05	All water tanks now have functional filters. If something should happen to one of the filters, management will be sure to install a caution sign so workers do not drink from that location.
7. Freedom of Association and Collective Bargaining												
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.												

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Right to Freely Associate		Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment.		There was no written policy to form a worker forum. Also, workers are not aware about a worker forum.			worker and management interviews		Factory management needs to keep workers aware of their benefits, i.e., a workers' forum.	31-Aug-06	Factory already has a written forum policy and also has a worker forum in place. Workers' forum needs to be made functional and workers need to be made aware of the forum through continuous training/communication.

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8. Wages and Benefits												
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.												
Timely Payment	Country Law: The wages of every person employed upon or in any factory or industrial establishment upon or in which there are less than 1,000 persons employed, shall be paid before the expiry of the 7th day. The payment of wages Act 1936 (Section 5).	All compensation shall be paid in a timely manner.	Management did not pay workers' total wages and benefits for a particular month at a time. They had paid in 2 installments. Payment of regular wages and benefits, including normal OT (from 05:00pm to 07:00pm), started from the 7th of the following month; payments of excessive OT (work after 07:00pm) and OT for working on weekly holidays were made after 20th of the following month. Both payments were going on up to last week of the month and books of accounts were closed in the end of that month.					daily cashbook and ledger review, worker and management interviews		Factory needs to ensure all wages are paid in a timely manner and according to the legal requirement.	31-Aug-06	Factory management is fully committed to reducing the rest day work and excess OT work in the future. If day-off work is required, under extraordinary business circumstances, the compensatory leave will be provided as per law and the reasons for excess OT work and rest day work will be recorded properly in a separate register. All working hours and rest day work will be recorded on the same time card and payroll sheet for compensation. All kinds of payments will be made by the 7th. All workers will be advised not to remain absent or on leave during salary payment.
False Payroll Records		Employers will not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.	During worker interviews, we found that workers have to work on most of the weekly holidays (Fridays) and worked excessive OT after 07:00pm. However, those work times were not recorded on the respective workers time/punch cards or attendance register. Factory management used separate sheets (called B sheets) for recording those excessive work times and their payments. Timekeeper maintained the time records of those excessive work times; payment, were made after 20th of the following month.					time cards, punch cards, attendance registers, time record (B sheets) review for excessive OT and working on weekly holidays (December 2004; January, May, June, July, August, September, and October 2005); worker interviews; closing meeting discussion		Management needs to identify reasons/causes for the excessive hours worked and determine alternative solutions to reduce the hours of work.	31-Aug-06	Factory management is fully committed to reducing the rest day work and excess OT work in the future. If day-off work is required, under extraordinary business circumstances, the compensatory leave will be provided as per law and the reasons for excess OT work and rest day work will be recorded properly in a separate register. All working hours and rest day work will be recorded on the same time card and payroll sheet for compensation. All kinds of payments will be made by the 7th. All workers will be advised not to remain absent or on leave during salary payment.
9. Hours of Work												
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.												
Weekly Day Off	Country Law: No worker shall be required to work for more than 10 consecutive days without a day off for the whole day. Factories Act 1965 (Section 51).	FLA Benchmark, Hours of Work: Except in extraordinary business circumstances, employees will (i) not be required to work more than 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. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts	In December 2004, cleaners worked 21 days consecutively and finishing section worked for 13 days. In January 2005, cleaners, finishing section workers, QC workers, helpers, operators and cutting section workers worked 20 days consecutively. In May 2005, cleaners worked 31 days; finishing section workers worked 11 days. In June 2005, cleaners worked 30 days; helper/cutting/finishing section workers worked 16 days; QC section worked 13 days consecutively. In July 2005, cleaners worked 31 days and operator/helper/QC/finishing section workers worked 30 days. In August 2005, cleaners worked 31 days; operators/helper/QC/finishing section workers worked 13 days consecutively. In September 2005, cleaners worked 30 days and operator/helper/cutting/QC/finishing section worker worked 14 days in a row. In October 2005, cleaner/helper/QC/ finishing section workers worked 31 days consecutively.					time record (B sheet) review (for excessive OT and weekly holiday work (December 2004; January, May, June, July, August, September, and October 2005)		Management needs to identify reasons/causes for the excessive hours worked and determine alternative solutions to reduce the hours of work.	31-Aug-06	Factory management has taken the following steps to reduce excess OT and day off work in the future. Reducing overall orders in excess of factory capacity. Proper production planning for 8 working hours as per time study record. With concerted effort and monitoring production floor personnel. Increasing workforce in finishing areas. Increasing efficiency with the on-the-job training programs. Avoiding change of styles frequently. Providing legal compensations as and when required. Offering incentive for regular presence of the workers. Developing a timely supply chain from store to finishing level for better productive efficiency. In the future, if day-off work is required, under the above circumstances, compensatory leave will be provided as per law, so workers are not required to work more than 10 days consecutively.
Overtime Limitations	Country law: No adult workers shall be required or allowed to work in a factory for more than 9 hours in any day. Provided that subject to provisions of sections 50, 54, 55 and 58, an adult worker may work in a factory for more than 9 hours, but not exceeding 10 hours in any day. Factory Act 1965 (Section 53).	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 1 day off in every 7-day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	Along with the regular working hours (8) in a day, in the last 12 months, cleaners have worked, on average, 137 hours per month; with a maximum of 182 hours in October 2005, which comes out to an average of 31 hours OT in a single week. The workers of finishing and QC sections worked excessive OT in December 2004; January, February, June, July, September and October 2005. Helpers/operators worked excessive OT in January, June, and July 2005. Cutting section workers worked excessive OT in May, January, and July 2005.					time record (B sheet) review (December 2004; January, May, June, July, August, September and October 2005); worker and management interviews		Management needs to identify reasons/causes for the excessive hours worked and determine alternative solutions to reduce the hours of work.	31-Aug-06	Factory management has taken the following steps to reduce excess OT and day off work in the future. Reducing overall orders in excess of factory capacity. Proper production planning for 8 working hours as per time study record. With concerted effort and monitoring production floor personnel. Increasing workforce in finishing areas. Increasing efficiency with the on-the-job training programs. Avoiding change of styles frequently. Providing legal compensations as and when required. Offering incentive for regular presence of the workers. Developing a timely supply chain from store to finishing level for better productive efficiency. In the future, if day-off work is required, under the above circumstances, compensatory leave will be provided as per law, so workers are not required to work more than 10 days consecutively.
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary.	Although the management had circulated a notice for voluntary OT, they could not refuse OT and had to work for 13 hours on some days. The production target is also very high and sometimes workers (those who could not fulfill their target) had to work overnight.					notice for OT review, worker interviews		Management needs to ensure all workers are aware of their policy of voluntary overtime. In addition, management needs to reduce the production targets, as this may result in increased overtime and possible overnight work.	1-Feb-06	Factory management is fully committed to reducing excessive overtime. Workers have been trained that overtime work is voluntary and they may refuse if they want.
10. Overtime Compensation												

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During our audit, COC posters were moved to an accessible location.	observation	Completed	Factory has posted 3 PVH posters with contact address of PVH representative on the production floor. Posters are easily accessible to all workers.	worker and management interviews; production floor visit						
Even though factory has implemented a new workers' training program, during our follow-up interviews, it was found that factory still needs to conduct refresher trainings.	worker interviews	Ongoing	Factory organized periodic training on factory law for workers on a regular basis. Management placed the training schedule to monitor.	worker and management interviews; training schedule review						
Factory has some suggestion boxes, but will need to add others in the male toilets and communicate to all workers the process and use of confidential complaints.	worker interviews	Ongoing	PVH contact name and address was written on the bottom of each PVH COC poster, and most workers knew of it. Factory placed suggestion box in male and female toilets. All workers are aware of the suggestion box and of the procedures for using it.	worker and management interviews; factory floor (including toilet) visit						
Factory has yet to take action on this issue. During our follow-up visit, auditor found that the issue still existed.	worker interviews	Ongoing	Management informed monitors that they had already started training floor-level management on the non-harassment policy and procedure. Both floor-level management and general workers told monitors that management strictly prohibited the use of bad language. However, some workers said that sometimes the supervisor and line chief still used bad language in cases of mistakes.	worker and management interviews; factory policy and procedure review; training schedule review	There is evidence of verbal harassment in the factory facility. Workers are shouted at with bad language and are made to stand at the door for 20 minutes if they take emergency leave and remain absent due to sickness.	39417	Root causes: 1) Ignorance of code of conduct of non-harassment of the concerned Officials, Staffs, Supervisors, Workers, etc. 2) Non-harassment policy was not implemented in the factory. Corrective Actions: 1) Training of the concerned Officials, Staffs, Supervisors, Workers, etc. on above issues and the Buyer's Code of Conduct. 2) Non-harassment policy will be implemented and followed in the factory. Persons Responsible: [Employee name], (F&A); [Employee name], Executive (HRD), [Employee name], Executive (Welfare Officer)	Assessors reviewed material from the training given to managers and supervisors. Worker interviews verified that the situation has been corrected and improved.	training document review, worker interviews	Completed

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Factory still needs to work on this issue, including repainting the faded exit markings.	visual inspection	Pending	All the aisles were clearly marked, yet partially blocked by unfinished goods.	management interview, factory floor visit	The staircase landing at the main exit on the ground floor is partially blocked with sundry articles.		Root causes: 1) Awareness problem of workers due to not providing sufficient training. 2) H&S Committee did not take proper action. 3) Compliance officials did not give proper attention to it. Corrective Actions: 1) Factory will provide sufficient training to the workers. H&S Committee and compliance officials will be trained to correct the issue. 3) Written training Register will be maintained. Persons Responsible: [Employee name], GM (F & A); [Employee name], Sr. Executive (HRD); [Employee name], Executive (HRD)	Through visual inspection, aisles and main exit were clear of obstruction.	visual inspection	Completed
					Aisles and exit are not properly marked (markings are faded) with yellow paint/ tape and production floor is congested.		Root causes: 1) Awareness problem of workers due to not providing sufficient training. 2) H&S Committee did not take proper action. 3) Compliance officials did not give proper attention to it. Corrective Actions: 1) Factory will provide sufficient training to the workers. H&S Committee and Compliance officials will be trained to correct the issue. 3) Written training Register will be maintained. Persons Responsible: [Employee name], GM (F & A); [Employee name], Sr. Executive (HRD); [Employee name], Executive (HRD)	Aisles and exit markings are clear and marked. Production floor is still congested.	visual inspection	Completed
					40% of the workforce is not trained in the use of fire extinguishers.		Root causes: 1) Due to illiteracy some workers cannot remember how to use fire-fighting equipment. Corrective Actions: 1) Factory will conduct training on the use of fire-fighting equipment on a regular basis and training program will be continued so that at least 40% workers can use fire-fighting equipment. 2) Written register will be maintained for all training. Persons Responsible: [Employee name], GM (F & A); [Employee name], Sr. Executive (HRD); [Employee name], Executive (HRD)	Factory has provided training to 40% of the workers. Workers interviewed could respond to the fire fighting techniques properly.	worker interviews	Completed
First aid boxes found unlocked and fully stocked.	first aid box inspection	Completed	All first aid boxes well equipped with medicine and first aid kits. However, 2 boxes were locked in the sewing area of the production floor.	worker and management interviews; factory floor visit	Ensure all first aid kits remain unlocked for workers' use.		Root causes: 1) Awareness problem of workers due to not providing sufficient training. 2) Health and Safety Committee did take proper action. 3) Compliance officials did not give proper attention to it. Corrective Actions: 1) Factory will provide sufficient training to the workers. 2) H&S Committee and Compliance officials will be trained to correct the issue. 3) Written training Register will be maintained. Persons Responsible: [Employee name], GM (F & A); [Employee name], Sr. Executive (HRD); [Employee name], Executive (HRD)	Follow-up audit findings: Corrected.	worker interviews, physical inspection	Completed
Factory needs to continue training workers so they can meet the 40% trained workforce requirement.	worker interviews	Ongoing	Female workers cannot operate the fire extinguishers, only male workers can operate them. Please note that the male to female worker ratio is almost 1:4.	management interview, factory floor visit	Ensure female workers are trained in the use of fire extinguishers.		Root causes: 1) Awareness problem of workers due to not providing sufficient training. 2) Health and Safety Committee did take proper action. 3) Compliance officials did not give proper attention to it. Corrective Actions: 1) Factory will provide sufficient training to the workers. 2) H&S Committee and Compliance officials will be trained to correct the issue. 3) Written training Register will be maintained. Persons Responsible: [Employee name], GM (F & A); [Employee name], Sr. Executive (HRD); [Employee name], Executive (HRD)	Follow-up audit findings: Corrected.	worker interviews, physical inspection	Completed
Corrected.	visual inspection	Completed	All buckets were full of sand.	management interview, factory floor visit						
Factory has yet to address this issue.	visual inspection	Ongoing	Monitors found that factory supplied masks. Some workers used it and some did not. Metal gloves are not used in the cutting section.	worker and management interviews; floor visit	There is no PPE provided to employees. The mesh gloves for the cutters have holes.		Root causes: 1) Awareness problem of workers. 2) Poor supervision on PPE use by the supervisor & concerned compliance person. Corrective Actions: 1) Workers will be given training on PPE use. 2) Compliance personnel will regularly monitor any defective mesh glove (PPE). 3) Supervisors will be trained to detect any faulty PPE and ensure proper use of the same. Person Responsible: [Employee name], GM (F & A); [Employee name], Sr. Executive (HRD); [Employee name], Executive (HRD); all supervisors	Workers were seen using mesh gloves in the cutting section.	worker interviews, physical inspection	Completed
Factory has yet to address this issue.	visual inspection	Ongoing	At present, 5 toilets are allocated for male workers; this complies with local law.	worker and management interviews; floor (toilet) visit						
Corrected.	visual inspection	Completed	Safe drinking water was supplied on the production floor.	management interview, floor visit						

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Factory needs to create a workers' forum and verbally instruct workers on how to use it.	worker interviews	Ongoing	Compliance section placed a list of WWC members' names and WWC meeting minutes. However, the general workers have no idea about the WWC and their activities.	worker, WWC members and management interviews; policy and meeting minutes review	There is no effective workers' forum or committee in the factory. There has been a workers' committee formed since June 4, 2005. However, it is formed only in paper and no meeting was held by the committee.		Root causes: 1) Committee was ineffective due to ignorance. Corrective Actions: 1) Committee members will be trained about the purpose and use fullness for forming the committee. 2) Committee will regularly have meetings, identify and discuss workers issues, take necessary action effectively. 3) All minutes of the meeting will be recorded. Persons Responsible: [Employee name], GM (F & A); [Employee name], Sr. Executive (HRD); [Employee name], Executive (HRD)	Factory is maintaining minutes of meetings. Many workers are now aware of the purpose and existence of the committee.	worker interviews, physical inspection	Completed

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Company Follow Up (June 29, 2006)	Documentation	Completed, Pending, Ongoing	Independent External Verification (November 26, 2007)	Documentation	PC Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up (January 29, 2008)	Documentation	Completed, Pending, Ongoing
Factory needs to discontinue practice of paying workers separately for OT. Separate payments are still being made on separate sheets, paid on separate dates. [From December 2005 until April 2006.]	payroll record inspection, worker interviews	Ongoing	Salary and all types of OT (including working on weekly days off) are paid at a time under signal salary sheet. Payments started from the 7th of the following month, but still are carries on up to the 3rd week of the following month. Books of accounts are closed between the 3rd – 4th week of that month.	worker and management interviews; payroll sheet, pay slips, cash book and ledger review	Ensure payment of wages is in accordance with the law.		Root cause: Poorly managed payroll system. Corrective Action: Factory will ensure that all workers are paid as per the local law. Persons Responsible: [Employee name], GM (F & A); [Employee name], Executive (HRD)	Factory is now paying workers promptly as per law.	worker interviews, physical inspection	Completed
During our audit found B sheets were still being maintained until May 2006. Manual and computerized systems both show legal hours being recorded in separate records. All excess hours over the legal limit are recorded on B sheet.	payroll record inspection, worker interviews	Ongoing	Factory did not maintain hidden or multiple payroll records in order to hide OT and falsely demonstrate hourly wages. Salary and all types of OT (including working on weekly days off) are paid at a time under signal salary sheet.	worker and management interviews; payroll sheet and time records review	Factory does not have a reliable and effective time recording system in place. 38% of time cards are recorded manually. Double sets of documents are still being maintained and all excess OT hours are still recorded on B sheets. Time cards do not show rest day work until April 2006. Rest day work on December 2 & 9, 2005 is not recorded though workers worked for 15 days without a rest day. Rest day work on January 20 & 27, 2006 is not recorded, though cleaners worked for 17 days without a rest day.		Root causes: 1) Manual time recording system for newly appointed workers. 2) As old attendance software did not access off-day work and work after 7pm there existed separate record of manual attendance and payment sheet. 3) Due to other buyers restriction rest day work and excess hours work (OT) are recorded and paid separately. Corrective Action: Factory will record all hours of work (any Friday work, any excess OT, hours of work) will be recorded in one electronic time recording system. Persons Responsible: [Employee name], GM (F & A); [Employee name], Executive (HRD)	Rest day work was seen to be recorded on the time cards. All hours of work were seen to be recorded on a single time card for the last few months. For example: August, September, October, November, December 2007 were recorded on the time card.	worker interviews, physical inspection	Completed
During follow-up visit our auditor found that the issue of no rest day per 7 day period still persisted.	payroll record inspection, worker interviews	Ongoing	Working on weekly days off is still in practice in the factory, but it is less than before. Helpers, cleaners, operators, and finishing/QC/cutting sections worked 15 days consecutively in September 2007 and 12 days in October 2007. Work on the weekly days off is paid as overtime. According to law, compensated day off is required to give/sanction within 3 days, but in maximum cases, this was not followed.	worker and management interviews; payroll sheet and time records review	Workers are not given 1 day off per every 7-day week and employees are working in excess of 60 hours per week; this is not in compliance with PVH requirement. Rest day work was found: December 2 & 9, 2005; February 3, 10, 17, 24, 2006; March 17 & 24, 2006; and May 26, 2006.		Root causes: 1) Natural calamities and political unrest. 2) Late confirmation by buyer regarding any change. 3) Frequent change of style. 4) Workers migration. 5) Production planning on the basis of 24 days a month and 10 working hours a day. Corrective Actions: 1) Reducing overall orders in excess of factory capacity. 2) Factory will conduct its internal study why workers are migrating (find out reason of high migration) and according to study findings factory will take appropriate action to reduce migration. 3) Concerned merchandiser will follow-up well-ahead of time to ensure timely delivery of fabric & accessories. 4) Provision will be kept so that in case of needs to hire work force where necessary. 5) Concerned workers have already been allowed compensatory leaves as per Labor Law. Person Responsible: [Employee name], G.M. (F&A); [Employee name], A.G.M. (Marketing); [Employee name], A.G.M. (Marketing); [Employee name], Executive (HRD); [Employee name], (Executive (Welfare))	Workers are not always getting 1 day off in every 7 days. Working hours are still somewhat high, but management is making changes in their system to ensure that they are reduced to the legal limit of 60 hours per week.	worker interviews, physical inspection	Partially Corrected
Factory needs to make improvements in this area and find other solutions to high production targets, so that workers no longer need to work over the legal limit.	payroll record inspection, worker interviews	Ongoing	Excessive OT is still done in the factory. Along with the regular work hours (8) in a day, workers had to do a maximum of 79 hours OT in December 2006; 66 hours OT in January 2007; 101 hours OT in August 2007; and 98 hours OT in October 2007.	worker interviews, time record and payroll sheet review	Factory needs to continue their process of reducing working hours to be in compliance with local law.		Root causes: 1) Natural calamities and political unrest. 2) Late confirmation by buyer regarding any change. 3) Frequent change of style. 4) Worker migration. 5) Production planning on the basis of 24 days a month and 10 working hours a day. Corrective Actions: 1) Reducing overall orders in excess of factory capacity. 2) Factory will conduct its internal study why workers are migrating (find out reason of high migration) and according to study findings factory will take appropriate action to reduce migration. 3) Concerned merchandiser will follow-up well-ahead of time to ensure timely delivery of fabric & accessories. 4) Provision will be kept so that in case of needs to hire work force where necessary. 5) Concerned workers have already been allowed compensatory leaves as per Labor Law. Person Responsible: [Employee name], A.G.M. (Marketing); [Employee name], A.G.M. (Marketing); [Employee name], Executive (Welfare)	Workers are not always getting 1 day off in every 7 days. Working hours are still somewhat high, but management is making changes in their system to ensure that they are reduced to the legal limit of 60 hours per week.		Partially Corrected
Voluntary OT system should be implemented. There are no signatures of workers on the OT requisition sheet.	payroll record inspection, worker interviews	Ongoing	Factory maintained a sheet as the consent of workers for voluntary overtime. However, workers could not refuse OT. At present, OT hours and production targets are less than previously and management is trying to reduce the trend of excessive OT.	worker and management interviews; floor visit; time records, voluntary OT consent sheet and other records review	Production target is very high and employees are required to fulfill a mandatory overtime schedule.		Root causes: 1) Due to improper production planning there may be high target given to workers which may lead to mandatory overtime. Corrective Actions: 1) Workers will be given training that OT is always voluntary. 2) Management, Administration staff, Floor supervisors, line-in-charge etc. will be trained that all OT work is voluntary. 3) Voluntary OT policy and procedure has been implemented in the factory. Person Responsible: [Employee name], G.M.(F&A); [Employee name] A.G.M. (Marketing); [Employee name], A.G.M. (Marketing); [Employee name] Executive (HRD)	Workers still have to meet the production target before they can leave the workplace. Workers do not know about the voluntary nature of overtime work.		Ongoing