

FLA Audit Profile		Independent External Verification																		
Country	Bangladesh	Bangladesh																		
Factory name	38020586D	38020586DV																		
IEM	LIFT Standards Ltd.	Phulki																		
Date(s) in facility	July 30-31, August 2 & 4, 2005	September 12, 2007																		
PC(s)	Top of the World, Outdoor Cap Company	Top of the World																		
Number of workers	948																			
Product(s)	Caps, Hats																			
Production processes	Cutting, Sewing, Finishing																			
		IEM Findings							Remediation			Updates (Cite Date of Follow up)		Third Party Verification		Company Verification Follow up				
FLA Code/ Compliance Issue	Country/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (unsubstantiated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation	Company Follow up	Documentation	Third Party Verification (EV: September 12, 2007)	Documentation	Company Follow up	Documentation	
1. Code Awareness																				
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.	Workers are unaware of the code of conduct and its purpose. No formal training system exists.				Workers and management interview about the training and records reviewed		Outdoor Cap and Top of the World (ODC/TOW) request factory to send your records of workers being trained in every work station. ODC/TOW require detailed notes of the training and signed documentation of workers that attended the training. ODC/TOW request factory to send picture of supervisor that trained workers and his signed documentation of training for our records. <ul style="list-style-type: none"> Send us pictures of suggestion/grievance boxes for workers in the factories and advise how many boxes are available and the location of these boxes. Advise who is in charge of collecting the suggestion/grievances from these boxes and how often are they collected. Send us procedures of how the suggestion/grievances are handled so that they can be resolved for the worker. 	1st week of August 2006	Factory will send photos of the training of Code of Conduct. They will also send notes of the training and signed documentation of workers that took the training by the first week of August 2006.	The factory sent photos of workers completing training.		Factory sent photos of ODC meetings held for employees and signature sheets from all employees that attended. Received 8/23/06 on file at ODC and TOW.		Compliance officer produced schedules for trainings conducted during the last 12 months with the signature of workers on them. But workers and trainers in-charge informed the monitors that only few employees and fire fighting training were conducted on a regular basis. Workers are still not aware of the factory rules and Code of Conduct.	Review of training schedule, interview with compliance and welfare officer, worker interviews.		Factory does periodic training-sign in sheets for training to be submitted to TOW 5/09.	
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.	There is no confidential non-compliance reporting channel that exists in the factory.				workers and management interview and recording system reviewed		ODC/TOW requests factory to send us pictures of suggestion/grievance boxes for workers in the factories and advise how many boxes are available and the location of these boxes. <ul style="list-style-type: none"> ODC/TOW requests factory to advise who is in charge of collecting the suggestion/grievances from these boxes and how often are they collected. ODC/TOW requests factory to send us procedures of how the suggestion/grievances are handled so that they can be resolved for the worker. 	1st week of August 2006	Factory will send pictures of suggestion/grievance boxes, quantity of boxes, location of boxes along with documents of procedures of how suggestion/grievances are collected and handled.	The factory sent photos of suggestion boxes.		Factory sent photos of suggestion/grievance boxes in place and procedures for how suggestion/grievances are collected and handled. These items are on file at the PCs.	The workers are not accustomed to dropping complaints/suggestions in the designated boxes because they think the complaint boxes placed in the toilet do not resolve the workers' problems. Monitors also noted that no complaint was recorded in the complaint register for the last few months. Complaint and suggestion boxes were opened by the welfare officer on a fortnightly basis, although as per remediation plan they have to be opened by Worker Welfare Committee (WWC). The confidential non-compliance reporting channel was not functional.	Interviews with the workers and welfare officer, review of complaint register and complaint file.	Workers can contact our local auditor for complaints. His telephone number and email are posted at the factory.			
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.																				
Employment Records		Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision	Workers are not provided with appointment letter and confirmation letter. The letters are signed by the workers and only kept in the personnel files. Some documents are not consistent: 8 - No appointment letter, 1 person - no confirmation letter, 5 appointment letter without sign of management. Employment contract does not contain signature from management. No settlement paper for the terminated workers. Moreover it takes at least 3 months' time to complete one personnel file.				Workers interview and management interview and records of personnel file reviewed		1. The factory must give each employee an appointment letter and confirmation letter as required by local law. A copy of the letters will be kept in the employee's personnel files at all times. Management must sign both the appointment letter and confirmation letter. The original appointment and/or confirmation letters should include the statement, "I, employee name, have read and received a copy of this letter." Have the employee sign and date the letter. Give a copy to the employee for their records. This is to be implemented immediately for all appointments and new hires. The factory is to send at least 5 copies of the newly signed confirmation/appointment letters to TOW/ODC by Nov 1, 2005.	11/12/05	1. The factory has already started to give each employee an appointment letter and confirmation letter as required by local law. The factory is also keeping a copy of the letters in the employee's personnel files at all times. Will send requested items by 11/1/05.	1. The factory sent 5 copies of employee appointment/confirmation letters on 10/31/05, showing management signatures and employee signatures.	1. The factory sent 5 copies of employee appointment/confirmation letters on 10/31/05, showing management signatures and employee signatures.		All the personnel files contain appointment and confirmation letter (if probation period is completed) duly signed by the authorized personnel and the workers. At present it takes almost one month to complete one personnel file. No workers were terminated within the last 12 months.	Review of worker personnel files, management interview, interview with several newly recruited workers and review of workers' attendance register.				
Employment Records		Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision	It takes 3 months' time to open and complete a personnel file.				Personnel File review and worker interviews		The factory shall immediately have the service book, appointment letter including break-down of wages, an age and fitness certificate completed upon hiring an employee. Send Top of the World/Outdoor Cap 5 copies of new employees service books, appointment letters including break-down of wages, an age and fitness certificate, by November 1, 2005.	11/12/05 & 11/15/2005	The factory is now giving the service book, appointment letter including break-down of wages, an age and fitness certificate completed upon hiring an employee. Will send requested items by 11/1/05.	Factory has sent copies of services books, appointment letters, etc to satisfy this request. Dec. 05.	Copy of service book and appointment letters kept in files.		At present it takes almost one month to complete one personnel file.	Review of worker personnel files, management interview, interview with several newly recruited workers and review of workers' attendance register.	Verification of length of time to complete personnel file-factory to supply copies of recent personnel files by 5/09.			
Employment Records		Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision	Contract papers are not complete. Reviewed and found 5 contract papers and 1 contract collected where management signature does not exist. Documents are not consistent: 8 - No appointment letter, 1 person - no confirmation letter, 5 appointment letter without signature of management. Employment contract does not contain signature from management. No settlement paper for the terminated workers.				Attendance record review and management interview and personnel files reviewed, worker interview		The factory management must sign all employee contracts; the employee must also sign the contract. Keep a copy of the contract in the employee's files and give a copy of the contract to the employee. This is to go into effect immediately. Please send Top of the World/Outdoor Cap 5 copies of employee contracts with employee and management signatures by November 1, 2005.	11/12/05 & 11/15/2005	Both the factory management and the employees are signing all employee contracts. The factory is keeping a copy of the contract in the employee's files and giving a copy of the contract to the employee. Will send requested items by 11/1/05.	Factory has sent copies of services books, appointment letters, etc to satisfy this request. Dec. 05.	Copy of service book and appointment letters kept in files.		At present factory does not employ any persons on a contractual basis. The monitors found that no workers were employed on a contractual basis during the last 12 months.	Review of worker personnel files, interview with management and workers.				
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.																				
Age Documentation		Employers will maintain proof of age documentation for all workers, such as a birth certificate, which verifies date of birth.	Workers' age certificates are issued after the job application date and joining date.				Personnel files and age documentation reviewed and interviewed the certification process with management and nurse		The factory must make age determination prior to the employees joining date with the factory. This age determination must be documented in the employee files. This is to be implemented immediately for all new hires. Send Top of the World/Outdoor Cap 5 copies of age determination of newly hired employees by November 1, 2005.	11/12/05	Factory Response: In our factory, child labor is strictly prohibited. Normally the factory takes age determination certificate prior to the employees joining date. This age determination also documented in the employee files. We will send all requested items by 11/1/05.	The factory sent 5 copies of age determination certificates. We are requesting a policy and procedure from the factory stating that age determination must be made prior to an employee's start date. Please send by December 15, 2006.	The factory sent 5 copies of age determination certificates on 10/31/05. Factory gave TOW copies of policy and procedures December 05.		Monitors found that up until December 2005 all the age verification certificates from doctors were issued after the worker started working. During the period of January to December 2006 some age verification certificates were issued upon hire and some 2-3 days later. But since January 2007 the age certificate of newly recruited workers has been issued on or before the joining date of the respective workers.	Interview with workers & nurse; review of workers' personnel files.				
Childcare facilities	Childcare facility need to be in a separate building/place other than the production floor.	Childcare facilities will not physically overlap with production areas, and children will not have access to production areas.	There is a childcare facility inside the factory premises on 4th floor. The childcare facility is not functional and used as a casual storage for dresses/uniforms of the workers. No children were found in the center and workers are unaware about the facility and its advantages.				Visual inspection and workers interview and training system inquiry with management		The factory must ensure that the childcare facility is clearly away from any production area. The childcare facility must be kept clear of the childcare center from the production floor. But in the future, we shall try to shift child care from the production floor. Now the factory promotes the use of the child care facility to the employees. We are taking the necessary actions to make day care center functional. We shall send information about the day care center by 11/1/2005.	11/12/05	Factory Response: Now it is impossible to us for shifting the childcare center from the production floor. But in the future, we shall try to shift child care from the production floor. Now the factory promotes the use of the child care facility to the employees. We are taking the necessary actions to make day care center functional. We shall send information about the day care center by 11/1/2005.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. Factory is longer using room for storage, but not utilizing as child care room at this time either. Dec. 05	ODC to discuss child care issue with factory management at Feb. 06 visit. ODC toured child care facility which is located in the production facility, no children are enrolled in child care facility at the time. No updates have been made as of 10/17/06.	Welfare officer has not provided any information on childcare facility to workers. Some workers know that there is a room for childcare but it is not used for that purpose. Childcare facility was still not moved to a different location.	Workers Interview, Management Interview and Visual Inspection.	Childcare center has been cleared but is still not in use. Target completion date: 11/09.				
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 or abuse.																				
Progressive Discipline		Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to the workers.	No formal disciplinary system, policy and procedure exist.				Management interview and workers interview		The factory will attend a training of supervisors/management on treatment of employees and disciplinary actions. We are sending the training outline from LIFT Standards and we, Top of the World/Outdoor Cap, fully recommend that [factory] contract with LIFT Standards Ltd. to complete this training program which consist of 2 days disciplinary and ODC training and a consultancy 4 months program. See attached list of disciplinary procedures as a reference of what your system should resemble. Please send Top of the World/Outdoor Cap the factory's revised policies and procedures relating to discipline by a set date for the training November 1, 2005.	11/12/05	Factory Response: The factory is arranging training programs for supervisors/management on treatment of employees and disciplinary actions. We will send revised policies and procedures and a confirmed training date by 11/1/05.	The factory has chosen not to hire LIFT Standards Ltd. for the training. They have hired a person to help the factory become compliant. The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. Factory has established and posted disciplinary policy and procedures. Training has occurred for management. Training to be provided to the workers the month of July 2006.	Copies of the policy and procedures are kept in files at ODC and TOW.	ODC to discuss when training will be given to the workers.	Factory will send signed documentation from the workers by August 1, 2006.	The factory has developed a policy and procedure on disciplinary action. However, the factory has not hired any outside consultant to provide training on treatment of employees and disciplinary action as per PC remediation plan. Compliance officer informed that they conducted training for supervisor/management on issues mentioned above. But monitors could not find training schedule on this specific issue.	Review of policies and training schedule, management and workers interview.	Factory does periodic training, sign-in sheets for training to be submitted to TOW 5/09.		
Progressive Discipline		Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers.	Workers are terminated for continuous absence from work for 3 - 4 days.				Personnel files and warning letter and termination cases		According to the law "The Employment of Labor (Standing Orders) Act, 1965" the employer is authorized to terminate a worker if she is absent from work for more than 10 days without prior permission or information to the management provided that upon the return the workers is not able to give a justified explanation. In this case a registered letter will be sent to the temporary and permanent address of the worker with the information of loss of lien and request to report with a given date. If a report is submitted as outlined in a registered letter, she can be lawfully terminated. The factory shall immediately start complying with local law and shall amend the worker handbook to state as such. Please send Top of the World/Outdoor Cap a copy of the revised employee handbook translated into English and in local language highlighting this change.	11/12/05	We shall immediately start complying with local law and shall amend our employee handbook. We shall send all requested items by 11/1/2005.	The factory has chosen not to hire LIFT Standards Ltd. for the training. They have hired a person to help the factory become compliant. The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. Factory has established and posted disciplinary policy and procedures. Training has occurred for management. Training to be provided to the workers the month of July 2006.	Copies of the policy and procedures are kept in files at ODC and TOW.	ODC to discuss when training will be given to workers.	Factory will send signed documentation from the workers by August 1, 2006.	The factory did not update the worker handbook by including "The Employment of Labor (Standing Orders) Act, 1965" as per PC remediation plan. Management continues to distribute the old handbook to the workers. Records show that during the last 12 months no workers were terminated for 3 or more days of continuous absence from work. But from the worker interview it was found that the management still verbally communicated that the workers should be terminated in case of 3 or more days of continuous absence from work.	Interview with workers and management; review of workers' personnel files, leave register and worker handbook.	Factory does periodic training-sign in sheets for training to be submitted to TOW 5/09.		

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings					Remediation				Updates (Cite Date of Follow up)		Third Party Verification		Company Verification Follow up		
			Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (unincorporated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation	Company Follow up	Documentation	Third Party Verification (EV: September 12, 2007)	Documentation	Company Follow up
Disciplinary Practices		Employers will utilize consistent written disciplinary practices that are applied fairly among all workers	No disciplinary policies and procedures are found in effect in the factory. Only document maintained on disciplinary action is the warning letter. Some warning letter found where the reason of issuing the warning letter is not mentioned or ticked. In one letter there were 3 warnings issued at the same time, ending in termination without any justification.				Workers interview and personnel file check	The factory will attend a training of supervisors/management on treatment of employees and disciplinary actions. We are sending the training outline from Lift Standards Ltd. and we, Top of the World/Outdoor Cap, fully recommend that [factory] contract with Lift Standards Ltd. to complete this training program which consist of a 2 day disciplinary and CoC training and a consultancy 4 months program. See attached list of disciplinary procedures as a reference of what your system should resemble. Please send Top of the World/Outdoor Cap the factory's revised policies and procedures relating to discipline by and a set date for the training November 1, 2005.	11/1/2005	Factory Response: The factory is arranging training programs for supervisors/management on treatment of employees and disciplinary actions. We will send revised policies and procedures and a confirmed training date by 11/1/05.	The factory has chosen not to hire Lift Standards for the training. They have hired a person to help the factory become compliant. The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. Factory has established and posted disciplinary policy and procedures. Training has occurred for management. Training still needs to be provided to the workers by the Social Compliance manager the month of July.	Copies of the policy and procedures are kept in files at ODC and TOW.	ODC to discuss when training will be given to workers.	Factory will send signed documentation from workers by August 1, 2006.	The factory has developed a policy and procedure on disciplinary action. However, the factory has not hired any outside consultant to provide training on treatment of employees and disciplinary action as per PC remediation plan. Compliance officer informed that they conducted training for supervisor/management on said issues but monitors could not find training schedule on this specific issue. The monitors did not find evidence of three times warning policy, either, but found some warning letters with workers' responses on them. No worker was terminated during the last 12 months as a result of disciplinary action.	Review the policies and training schedule, interview with management and workers, review of workers' personnel files.	Factory does periodic training - sign in sheets for training to be submitted to TOW 5/09.	
Training of Management in Disciplinary Practices		Employers will provide training to managers and supervisors in appropriate disciplinary practices	No formal training is provided on disciplinary procedures.				management and workers interview	The factory will attend a training of supervisors/management on treatment of employees and disciplinary actions. We are sending the training outline from Lift Standards Ltd. and we, Top of the World/Outdoor Cap, fully recommend that [factory] contract with Lift Standards Ltd. to complete this training program which consist of a 2 day disciplinary and CoC training and a consultancy 4 month program. See attached list of disciplinary procedures as a reference of what your system should resemble. Please send Top of the World/Outdoor Cap the factory's revised policies and procedures relating to discipline by and a set date for the training November 1, 2005.	11/1/2005	Factory Response: The factory is arranging training programs for supervisors/management on treatment of employees and disciplinary actions. We will send revised policies and procedures and a confirmed training date by 11/1/05.	The factory has chosen not to hire Lift Standards for the training. They have hired a person to help the factory become compliant. The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. Factory has established and posted disciplinary policy and procedures. Training has occurred for management. Training still needs to be provided to the workers.	Copies of the policy and procedures are kept in files at ODC and TOW.	ODC to discuss when training will be given to workers.	Factory will send signed documentation from workers by August 1, 2006.	As per PC remediation plan the factory did not hire any outside consultant to provide training on treatment of employees and disciplinary action. Compliance officer informed that they conducted training for supervisor/management on above mention issues. But monitors did not find a record of Disciplinary Practices on the training schedule.	Review the training schedule, interview management/ supervisor and workers.	Factory does periodic training - sign in sheets for training to be submitted to TOW 5/09.	
Records Maintenance		Employers will maintain written records of disciplinary actions taken.	No written records maintained for the number of disciplined workers or separated or fired workers on a monthly basis or for the steps and procedures of disciplinary actions. Only warning letter is issued and maintained properly with respective files. Warning/termination letter was found but no personnel file/documents for the person in question were available.				Management interview and personnel file check	The factory will attend a training of supervisors/management on treatment of employees and disciplinary actions. We are sending the training outline from Lift Standards Ltd. and we, Top of the World/Outdoor Cap, fully recommend that [factory] contract with Lift Standards Ltd. to complete this training program which consist of a 2 day disciplinary and CoC training and a consultancy 4 months program. We are also sending you a list of disciplinary procedures as a reference of what your system should resemble. Please send Top of the World/Outdoor Cap the factory's revised policies and procedures relating to discipline and a confirmed training date by November 1, 2005.	11/1/2005	Factory Response: The factory is arranging training programs for supervisors/management on treatment of employees and disciplinary actions. We will send revised policies and procedures and a confirmed training date by 11/1/05.	The factory has chosen not to hire Lift Standards for the training. They have hired a person to help the factory become compliant. The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. Factory has established and posted disciplinary policy and procedures. Training has occurred for management. Training to be provided to the workers the month of July 2006.	Copies of the policy and procedures are kept in files at ODC and TOW.	ODC has requested signed documentation of training by the manager.	Factory will send signed documentation from workers by August 1, 2006.	Records were maintained for the disciplined or migrant workers on a monthly basis. Warning letter was issued and also maintained properly in respective files. Reviewing the workers' personnel files we did not find any evidence of termination resulting from warning.	Review workers personnel file, migrants/terminated/newly workers list, interview management and workers.		
Verbal abuse		Employers will prohibit screaming, threatening, or demeaning verbal language.	Verbal abuse occurs in cases of failure to achieve the production target, unauthorized absence and mistake in work. Workers are made to stand in front of the sewing line for half an hour as punishment for absence.				workers and supervisors interview and group discussion.	The factory will attend a training of supervisors/management on treatment of employees and disciplinary actions. We are sending a training outline from Lift Standards Ltd. and we, Top of the World/Outdoor Cap, fully recommend that [factory] contract with Lift Standards Ltd. to complete this training program. Please send Top of the World/Outdoor Cap the factory's revised policies and procedures relating to discipline and a confirmed training date by November 1, 2005.	11/1/2005	Factory Response: The factory is arranging training programs for supervisors/management on treatment of employees and disciplinary actions. We will send revised policies and procedures and a confirmed training date by 11/1/05.	The factory has chosen not to hire Lift Standards for the training. They have hired a person to help the factory become compliant. The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. Factory has established and posted disciplinary policy and procedures. Training has occurred for management. Three worker interviews, no evidence of continued verbal abuse was found. Training to be provided to the workers the month of July 2006.	Copies of the policy and procedures are kept in files at ODC and TOW and employee interviews.	ODC has requested signed documentation of training by the manager.	Factory will send signed documentation from workers by August 1, 2006.	The factory has developed a policy and procedure on disciplinary action. However, the factory has not hired any outside consultant to provide training on treatment of employees and disciplinary action as per PC remediation plan. Compliance officer informed that they conducted training for supervisor/management on said issues but monitors could not find a record of this specific issue on the training schedule. Verbal abuse persists. One of the supervisors was observed to be yelling at a worker during the factory tour.	Focus group discussion, workers and management interview and factory tour.	Factory does periodic training - sign in sheets for training to be submitted to TOW 5/09.	
Monetary Fines and Penalties		Employers will not use monetary fines and penalties for poor performance	Worker's attendance was deliberately omitted from the attendance register resulting in salary deduction for wrongdoing/mistake in the work.				worker and supervisor interview and attendance and payment record reviewed	The factory will immediately STOP the practice of omitting workers attendance from the attendance register; this is a form of informal punishment. Please send Top of the World/Outdoor a copy of the attendance record for the embroidery section for the months of September and October 2005 and a letter from top management that this practice has immediately been corrected by November 15, 2005.	11/15/2005	Factory Response: The factory will immediately STOP the practice of omitting workers attendance from the attendance register. The factory shall send a copy of the attendance register record for the embroidery section as requested for the months of Sept. and Oct. 2005 and a letter from management stating as such by 11/15/2005.	The factory has stopped the practice of omitting workers attendance from attendance register.	Copy of attendance register kept in files.			There was no evidence of omissions with the attendance book-keeping and there were no salary deduction for doing a mistake with the job.	Workers and management interview, time records and payroll sheets review.		
Monetary Fines and Penalties		Employers will not use monetary fines and penalties for poor performance	Worker's attendance was deliberately omitted from the attendance register resulting in salary deduction for wrongdoing/mistake in the work. Approved leave is also deducted from the salary if special permission for leave with pay is given by the supervisor in charge.				Attendance record review and management interview and personnel files reviewed, worker interview.	The factory will immediately STOP the practice of omitting workers attendance from the attendance register; this is a form of informal punishment. Please send Top of the World/Outdoor a copy of the attendance record for the embroidery section for the months of September and October 2005 and a letter from top management that this practice has immediately been corrected by November 15, 2005.	11/1/2005	The factory will immediately STOP the practice of omitting workers attendance from the attendance register. The factory shall send a copy of the attendance register record for the embroidery section as requested for the months of Sept. and Oct. 2005 and a letter from management stating as such by 11/15/2005.	The factory has stopped the practice of omitting workers attendance from attendance register.	1. Copy of attendance register kept in files.			From record review of last 12 months as well as worker interviews we did not find any evidence or heard any complaints from workers regarding the recording of working hours or salary deductions due to mistakes with the job. Nor did we find any evidence of salary deductions for approved leave.	Workers and management interview, time records, leave register, workers personnel files and payroll sheets review.		
Other (Grievance Procedure)			Worker handbook is not provided to all the worker. Workers are not aware of the grievance and disciplinary system and procedures. Some of the workers only know about the existence of suggestion box but they are not clear and confident about the credibility and effectiveness of it.				Attendance record review and management interview and personnel files reviewed, worker interview and WWC member interview	The factory shall immediately give all workers a worker handbook, also the factory shall post their grievance and disciplinary policies on notice boards through out the factory and we recommend that you have the WWC start collecting the suggestion box comments, review the complaints/suggestions, and give to management. Management should respond back to the WWC within a specified period of time and the WWC can post the resolutions to the problems or comment on a notice board so the employees can see the effectiveness of this communication system. Send Top of the World/Outdoor Cap photos of the posted grievance and disciplinary policies and a new procedure for the involvement of the WWC in this process by November 1, 2005.	11/1/2005 & 11/15/2005	Factory Response: The factory shall immediately give all workers a worker handbook, also the factory shall post their grievance and disciplinary policies on notice boards through out the factory. The factory will send photos of the posted policies and a new procedure for the involvement of the WWC in the process by 11/1/05.	The factory provided copy of handbook. Currently the factory is in the process of updating their handbook and will submit a new handbook by Feb. 15, 2006. Outdoor Cap to check for new handbook on Feb 06 visit.	Copy of handbook kept in files.	ODC reviewing and working with factory on revised handbook and training of workers.		Workers handbook has been distributed to workers as per remediation plan but it was the old version. The workers are not accustomed to dropping complaints/suggestions in the designated boxes as they think the complaint boxes placed in the toilet do not resolve the workers' problems. Monitors also found that no complaint was recorded in the complaint register for the last few months. Complaint and suggestion boxes were opened by the Welfare Officer on a fortnightly basis, although as per remediation plan they have to be opened by WWC.	Worker interviews, focus group discussion, interview with compliance and welfare officer, review of the complaint register and complaint file.	Factory to provide copy of new handbook 5/09.	
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																		
Fire Safety Health and Safety legal compliance		Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	There is no fire fighting team trained. Only 3 people are given as fire fighter for the whole factory. None of these persons are trained, nor do the workers recognize these persons to be fire fighters. No first aid policy/team or doctor found, only one nurse (without professional training and certificate) available.				Management interview, records reviewed and workers interview Personnel files reviewed	1. The factory shall contact the local fire marshal and have a training conducted with the current fire fighting team. Also, have the local fire fighting team keep meeting notes from this training on file. Training should be done quarterly. The factory will train all employees on who the fire fighting team members are on a quarterly basis. Meeting notes are to be kept. Photos of the fire fighting team need to be posted in the canteen, production area, at all entrances and any place employees gather. The training will be completed by November 1, 2005 and meeting notes sent to Top of the World/Outdoor Cap. Send photos of the fire fighting team photos as they are posted in all areas of the factory by November 1, 2005. 2. Per the Bangladesh Factories Rules, 1979, The ambulance room or dispensary shall be in charge of a qualified medical practitioner assisted by at least one qualified compounder and nurse and such subordinate staff as the Chief Inspector may direct. The medical practitioner shall always be available on call during working hours. The factory shall create a first aid policy immediately. The factory shall hire a qualified medical practitioner and at least one qualified compounder and nurse as required by local law by November 1, 2005. Send Top of the World/Outdoor Cap a copy of the first aid policy and copies of the medical staff's certificates and photos by November 1, 2005 as evidence.	11/1/2005	Factory Response: 1. The factory shall contact the local fire marshal and have a training conducted with the current fire fighting team. The factory will keep meeting notes from this training on file. The factory will send photos of the posted fire fighting team photos at the factory by 11/1/2005. 2. The factory has already created a first aid policy. The factory will hire a qualified medical practitioner and at least one qualified compounder and nurse as soon as possible. The factory will send us evidence this has been completed as soon as possible.	1. The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. 2. The factory sent a copy of their first aid policy on 10/31/05. We are requesting a procedure from the factory stating who is responsible for maintaining the first aid boxes by December 15, 2005. The factory did not send evidence of an appointed medical practitioner that is to be on-call at all times during factory hours. Please send medical certificate and contract of the appointment by December 15, 2005.	1. The factory has established and trained a fire fighting team. Dec. 05. Meeting notes and photos of the members were sent. 2. The factory sent a copy of their first aid policy on 10/31/05. The factory sent 2 letters from hospital personnel for Mrs. *** (***) from *** Hospital, as evidence she has been certified.	Factory sent copy of The Letter of Appointment of a part time doctor that started on 4/16/06 that will be in the factory 2 days a week and on call. Advised factory by law that a doctor should be on the premises at all times but this is a step in the right direction. Also sent was nurse's certificate.	The factory has posted the names of fire fighting team members on the notice board of the production floor, but some of these team members had already left the factory. Firefighting team is not known to the workers. Photos of the firefighting team were not posted in the canteen and production area. The factory has a first aid policy and it was posted. There is no full-time qualified medical staff. The factory doctor comes in twice a week (Wednesday & Saturday) for 2-3 hours.	Communication with Compliance Officer, interview with firefighting team and workers. Inspection of the fire fighting equipment and the notice board on the production floor.	Updated fire team notice boards posted-factory to supply photos of notice boards 5/09.		
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 completed with and workers shall be trained in proper safety, first aid, and evacuation procedures	Fire safety policy is not in local language and not posted for workers. Fire drill is not arranged every month as mentioned in the factory internal policy. Workers are not trained on fire safety and first aid policy.				Management interview and visual inspection. Records and register reviewed	In accordance with Section 22 of the Factories Act, 1965, and Instruction Number F.S.O. CD/4409/4(120) dated 9/11/97 of the Fire Service, each factory shall conduct at least 1 fire escape drill every month, and maintain proper details of the drill. The factory shall start immediately adhering to local law by conducting a monthly fire drill. These fire drills should be kept in a log. Please send Top of the World/Outdoor Cap a copy of the fire drill log and photos of the drill for the month of September and October 2005 by November 1, 2005.	11/1/2005	Factory Response: Fire safety policy already been made and posted in the notice board. Fire drills are now kept in a log. Will send copy of log and photos of monthly drill for the month of Sept and Oct. 2005 by 11/1/2005.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. Factory has now posted the fire safety policy in the local language. Factory conducts monthly fire drill - confirmed by TOW through worker interviews, Dec. 05.	Confirmed thru worker interviews, copies of notes kept in files.			Fire safety policy written in local language and posted on the notice board. The factory arranges fire drills on a monthly basis and keeps a log. Workers corroborated the information.	Communication with Compliance Officer, interview with firefighting team and workers. Inspection of the fire fighting equipment and the notice board on the production floor.		
H&S 9. Evacuation requirements and procedure																		

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings					Remediation				Updates (Cite Date of Follow up)		Third Party Verification		Company Verification Follow up		
			Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (unincorporated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation	Company Follow up	Documentation	Third Party Verification (EV: September 12, 2007)	Documentation	Company Follow up
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	First aid kits are not well-stocked and no one responsible for replenishing their maintenance.				Visual inspection and management interview	According to the Factories Act 1965, Section-44, and Factories Rules 1979, Section 55 every factory shall provide and maintain at least 1 first aid box with its prescribed contents for every 150 workers, in the charge of a person trained in the use of first aid. The factory shall comply with local law and properly stock all first aid kits at the factory as stated above and create a policy and procedure for the kits to be checked weekly for re-stocking. Please send Top of the World/Outdoor Cap photos of the completely stocked first aid kits and a copy of the new policy and procedures for re-stocking of the first aid kits by November 1, 2005.	11/12/2005	Factory Response: The factory has already created a policy and procedure for the kits to be checked weekly for re-stocking. The factory will send photos of the completely stocked kits and a copy of the new policy and procedures for re-stocking by 11/11/05.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. TOW found that first aid kits will not be well stocked in Dec. 05. TOW will send a fully stocked kit as an example by 2-15-06. Outdoor Cap to check on February 19 factory follow-up visit.		ODC to check all first aid kits at factory during Feb. visit. ODC found first aid kits to be stocked well. Also was told that the factory will model their first aid kits as the one TOW sent.	The monitors randomly checked 4 first-aid boxes during walk-through and found two boxes empty. There were only Napsa tab - 2 nos. Abomine tab - 2 nos. and a piece of dirty cotton in the two first-aid boxes of the 3rd floor. Supervisor informed that a requisition was prepared by nurse to buy the medicine. Nurse showed the requisition paper to the monitors during the medical center visit. First-aid kits were not well-stocked. Monitors also did not find any evidence of weekly checking for re-stocking.	Interview with the nurse, compliance officer and general workers, inspection of the first aid boxes.	First aid boxes are now locked to prevent theft. All floor supervisors have keys to boxes.		
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.	PPE are not provided to the workers (hand gloves- iron section, mask - overlock machine, ear plug - Kanasi special and bark machine) and no training on the use of PPE is provided to workers.				Visual inspection and management interview and workers interview	The factory shall immediately supply all PPE to necessary employees and train the employees on the use of the protective equipment. Please send photos of employees wearing required PPE by November 1, 2005.	11/12/2005	Factory Response: The factory shall supply all PPE to necessary employees as soon as possible and train the employees on the use of the protective equipment. The factory will send photos as soon as possible	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. TOW found again that PPE was not provided to workers Dec. 05. Outdoor Cap to check again on Feb. 19th visit.		ODC to check for PPE used by workers on factory tour. ODC toured the factory and saw workers using PPE. Several photos were taken and on file.	Factory management supplied sufficient PPE (hand gloves in iron section, mask for the over-lock machine and mask and hand gloves to protect thinner hazard). But hand gloves were not used in the ironing section. Monitors found that enough hand gloves were stocked in a room very close to the ironing section. Masks were not used for the over-lock machine. Thinner was not used during the audit process.	Interview with the section personnel in-charge, Workers and management interview, floor visit.	On location auditor to confirm use of PPE 5/09		
Chemical Management		All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	Thinner is used without labeling and taking any safe measure				Visual inspection	The factory shall immediately label all chemical in the local language and English and post Material Safety Data Sheets (MSDS) for all chemicals. Send Top of the World/Outdoor Cap photos of the labeled chemical containers and copies of the MSDS sheets by October 1, 2005.	11/12/2005	Factory Response: The factory has already labelled all chemicals in the local language and English. They have posted MSDS sheets for all chemicals. The factory will send photos of the labelled containers and copies of the MSDS sheets within short time.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. Follow-up audit in Dec. 05 showed thinner marked and MSDS checks being followed.	Tour of factory.	The monitoring team found that thinner was appropriately marked and labelled. MSDS was properly posted in the spot remover section and thinner storage room.	Floor visit, review of the MSDS of thinner, worker and management interview.				
Machinery Maintenance		All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	Eye guard with the overlock and bark machine is not used and in some cases the guard were not found installed on the machines.				Visual inspection	The factory shall immediately supply all PPE to necessary employees and train the employees on the use of the protective equipment. Please send photos of employees wearing required PPE by November 1, 2005.	11/12/2005	Factory Response: The factory shall supply all PPE to necessary employees as soon as possible and train the employees on the use of the protective equipment. The factory will send photos as soon as possible	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. TOW found again that PPE was not provided to workers Dec. 05. Outdoor Cap to check again on Feb. 19th visit.		ODC to check for PPE used by workers on factory tour. ODC toured the factory and saw workers using PPE. Several photos were taken and on file.	The eye guard was not fixed for the over-lock and bark machine. When the monitor asked about the eye guard the worker showed it under the table. Workers and supervisors did not receive any training on the importance of machine guard and the necessity of its use. New findings: No needle guard on the sewing machine.	Floor visit, worker and management interview.	Proper guards are installed on all machines. To be reconfirmed by on location auditor 5/09.		
Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and in compliance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	Number of male toilets is sufficient and in keeping with the local law. But the number of female toilets need to be 36 for 800 female workers whereas factory has 5 female toilets per floor with a total of 15 toilets. The canteen are not spacious enough to accommodate all the workers, as a result some workers take their lunch sitting on the floor. Sometimes water supply and washing facility are not available/adequate during lunch hour.				Visual inspection and records review, group discussion with workers	1. We suggest that the factory re-allocated the number of restrooms between male and female, you have too many for the men and not enough for the females. The total number of female toilets required by law should be increased from 15 to 36 by November 1, 2005. If after re-allocation of the bathrooms, you still do not have enough for the women, then you will have to install new facilities for the women to bring your total to 36. Please send Top of the World/Outdoor Cap your plans to comply with local law by increasing the number of female toilets to 36 by November 1, 2005. 2. We recommend that the factory stagger the lunch times to accommodate all workers comfortable during lunch breaks if possible, otherwise you will need to enlarge the canteen to accommodate all the workers, and to supply water and washing facilities in the canteen area for the employees. Send Top of the World/Outdoor Cap your plans to comply with this violation by November 1, 2005.	11/12/2005	Factory Response: 1. We will take action for this and will send you our plans to comply with local law by 11/12/2005. 2. We have taken all necessary action for this. We will send all information by 11/12/2005 as requested.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. 1. December 05 follow-up audit found the factory still in the process of increasing the number of toilets to the required level. In an effort to fulfill the requirement the factory has opened the 4th floor toilets to the workers. 2. The factory is now staggering the lunch times to alleviate over full canteen area.	The factory has realigned the # of bathrooms for women and men to ensure enough for women giving the women 41 and the men 15.	The factory allocated 41 toilets for female workers and 15 for male workers. Water supply was available during the factory tour but washing facility was overcrowded. The dining rooms (canteen) of 2nd, 3rd, 4th and 5th floor are spacious enough for the workers. The dining room of the 1st floor was used by both the ground floor and 1st floor workers. At present factory management provides lunch in 2 seating for the workers of these two floors and therefore the space was sufficient. New Findings: The toilets were clean but sandal and soap were not available. Workers went to the toilet bare foot.	Inspection of the toilets, group discussion and worker interview, review of records/notice board.	Per internal monitor factory provides soap and sandals but both are often missing due to theft.			
Worker Participation		Workers should be involved in planning for safety, including through worker safety committees	No worker safety committee found.				Workers and management interview	The factory shall create and appoint some employees to a worker safety committee by November 1, 2005. This committee shall meet at least quarterly and meeting notes must be kept. Please send Top of the World/Outdoor Cap a list of all members of the committee and a plan of upcoming meetings for this committee by November 1, 2005.	11/12/2005	Factory Response: The factory shall create a worker safety committee by 11/1/05. The committee shall meet at least quarterly and meeting notes must be kept. The factory will send a list of all members of the committee and a plan of upcoming meeting by 11/1/05.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory has established a workers safety committee.	Photos of members sent and kept in file.	The factory formed a fire safety committee and it has posted the name of fire safety team on the notice board on the production floor but some team members had already left the factory as management acknowledged. Workers were not familiar with the fire fighting teams. Photos of the fire safety team were not posted in the canteen and production area.	Review of fire drill register, worker interviews, visual inspection and focus group discussion.	Current fire team posted.			
Other (Childcare facility)		Child care facility is not functional, workers are not aware of the facility. Childcare room is not in a separate building but in the main building where production is taking place.	Child care facility is not functional, workers are not aware of the facility. Childcare room is not in a separate building but in the main building where production is taking place.				Visual inspection and worker interview	The factory must ensure that the childcare facility is clearly away from any production area. The childcare facility must be kept clear of all obstacles that are not related to childcare. The factory must now promote the use of the child care to the employees. We recommend the factory contract with LRI-Standards to complete a consultancy training to help bring many different areas of the factory into compliance, by doing this the female workers will be asked what would make the child care acceptable for them and then this information would be brought to management for further discussion. Send Top of the World/Outdoor Cap the training date that is confirmed with LRI-Standards for the consultancy training by November 1, 2005, see attached information regarding this program.	11/12/2005	Factory Response: Now it is impossible for us for shifting the childcare center from the production floor. But in the future, we shall try to shift child care from the production floor. Now the facility exists and is functional, however it is not being used. Outdoor Cap will check on Feb. follow-up audit.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory is no longer using the facility for uniform storage. Employees are aware of other facility exists and is functional, however it is not being used. Outdoor Cap will check on Feb. follow-up audit.	ODC to discuss child care issue with factory management at Feb. 06 visit. ODC toured child care facility which is located in the production facility, no children are enrolled in child care facility at this time.	The child care centre is still not functional and it has yet to be moved to a different location.	Worker and management interviews, visual inspection.	Child care center has been closed but still not in use. Target completion by 11/09.			
Other (Qualification of the Medical Practitioner)		Technical staff (nurse and electrician, in-charge of health and safety matters) do not have any academic and professional certificate and degree. They have only experience of working in their respective field but even those certificates are not maintained in the personnel files.	Technical staff (nurse and electrician, in-charge of health and safety matters) do not have any academic and professional certificate and degree. They have only experience of working in their respective field but even those certificates are not maintained in the personnel files.				Personnel File review	The factory shall hire a qualified medical practitioner and at least one qualified compounder and nurse as required by local law by October 1, 2005. Send Top of the World/Outdoor Cap a copy of the first aid policy and copies of the medical staff's certificates and photos by November 1, 2005 as evidence.	11/12/2005 & 11/15/2005	The factory has already created a first aid policy. The factory will hire a qualified medical practitioner and at least one qualified compounder and nurse as soon as possible. The factory will send us evidence that has been completed as soon as possible.	The factory sent a copy of their first aid policy on 10/21/05. We are requesting a medical practitioner and at least one qualified compounder and nurse as soon as possible. The factory shall send evidence that has been completed as soon as possible.	ODC to discuss with factory management about hiring a medical practitioner, factory has hired a medical practitioner part-time.	The personnel file maintained by the nurse contains the application, appointment letter, employment contract, nationality and character certificate. The nurse has completed only three and half months course on "Theoretical and practical nurse training course" from Khanna Surgical & Medical Hospital (Pvt.) Ltd and the certificate was available in the personnel file. The factory management could not provide us personnel file for other technical persons.	Interview with nurse and other technical persons, review of personnel file, management interview.	On location auditor to confirm personnel files for technical persons 5/09			
7. Freedom of Association and Collective Bargaining																		
Employers will recognize and respect the right of employees to freedom of association and collective bargaining																		
Other			A Worker Welfare Committee has been selected during Jan 2005. But the committee is ineffective and workers are not familiar with the members and their activities.				Attendance record review and management interview and personnel files reviewed, worker interview and WWC members interview	The factory shall request the WWC to have monthly meetings starting immediately, document the meetings and help to promote the workers. The factory shall send meeting notes for Oct. and photos of the WWC members posted at the factories by November 15, 2005.	11/12/2005 & 11/15/2005	The WWC is now arranging meetings and help to promote this committee with the workers. The factory shall send meeting notes for Oct. and photos of the WWC members posted at the factories by 11/15/2005.	TOW found evidence of increased maternity benefits and financial assistance for housing for workers through the WWC involvement during worker interviews in Dec. 05.		ODC reviewing and working with factory on revised handbook and training of workers.	The Worker Welfare Committee (WWC) consisted of 17 members. Compliance officer is the Chairman of this committee. The factory posted the photo of WWC members on the notice board in the production floor. But most of the members had left the factory. Workers are not aware of the role and responsibilities of WWC. Factory did not arrange WWC meetings on a monthly basis and keep the WWC's meeting minutes as per the remediation plan of PC. Workers are still not familiar with this committee, but were aware that Compliance Officer and Welfare Officer were members of WWC.	Focus group discussion, management and worker interview, visual inspection.	On location auditor to confirm WWC meeting 5/09		
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																		
Wage Benefits Awareness		Workers are not aware of the salary calculation, incentive system, entitlements and benefits.	Workers are not aware of the salary calculation, incentive system, entitlements and benefits.				worker and management interview and group discussion with workers	The factory shall immediately start communicating with the employees in writing and hold an employee meeting to explain the employee's wages, incentives systems, benefits and bonuses that each employee is entitled to by law. Send Top of the World/Outdoor Cap a copy of the meeting notes and photos from the employee meetings by November 1, 2005.	11/12/2005	Factory Response: The factory shall immediately start communicating with the employees in writing and hold an employee meeting to explain the employee's wages, incentives systems, benefits and bonuses that each employee is entitled to by law. The factory will send a copy of the meeting notes and photos of the meetings held by 11/1/05.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory provided TOW with employee meeting notes on training of wages and benefits. Also signed attendance sheet from the meeting, Dec. 05.	Meeting notes from benefits and wage meeting and attendance sheet kept in files.	Workers are still not aware of the salary scale and benefits they are entitled to by law. Workers informed that factory did not arrange any training for workers on wages, incentive system, benefits and bonus. Management produced a training schedule where there was mention of factory Code of Conduct. No specific training schedule was found focusing on above mentioned issues.	Worker and management interview, review of payroll sheets and training schedule.	Factory conducts periodic training - sign in sheets from training to be provided to TOW 5/09			
Payroll Reporting		Accurate and reliable payroll reporting, including pay stubs will be provided	Payroll is not in the local language, double record keeping and payment is practiced, no payment date is mentioned on the payroll.				Sample payroll check and documentation check, management interview	The factory will change the payroll system to be in the local language starting October, 2005. Please send a copy of the payroll records for October by November 15th to Top of the World/Outdoor Cap. Double record keeping is not an acceptable practice. This must be stopped immediately. Please have upper management draft a letter to Top of the World and Outdoor Cap stating they will no longer keep double books to hire overtime hours in the future.	11/15/2005	Factory Response: The factory is trying to change the payroll system in the local language. Double record keeping is fully stopped now.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory submitted a letter from upper management stating that the practice of double books to hire overtime has stopped and will not continue to occur, Dec. 05.	Letter is kept in factory file.	Payroll sheets still not in local language. We have checked the time records, payroll sheets and interview with some workers. We did not find any evidence of double record keeping or discrepancies between records and actual payments made. Payroll sheets indicate the date of the payment.	Management and worker interview, review payroll sheet & time records.	On location auditor to confirm payroll sheet in local language-copies to be sent to TOW 5/09			
Pay statement		Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions	Deduction amount for absenteeism is not clearly indicated in the payroll.				Payroll checked and management interview	The factory will change the payroll system to be in the local language starting October, 2005. Please send a copy of the payroll records for October by November 15th to Top of the World/Outdoor Cap. Double record keeping is not an acceptable practice. This must be stopped immediately. Please have upper management draft a letter to Top of the World and Outdoor Cap stating they will no longer keep double books to hire overtime hours in the future.	11/15/2005	Factory Response: The factory is trying to change the payroll system in the local language. Double record keeping is fully stopped now.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory submitted a letter from upper management stating that the practice of double books to hire overtime has stopped and will not continue to occur, Dec. 05.	Letter is kept in factory file.	On the payroll sheet there is an item in the last column of the sheet, "Deducted Amount" but no specification regarding the deduction.	Review of payroll sheets & time records, management interview.	On location auditor to confirm payroll sheet contains detailed deduction-copies to be sent to TOW 5/09			

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings					Remediation				Updates (Cite Date of Follow up)		Third Party Verification		Company Verification Follow up		
			Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (unincorporated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features Implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation	Company Follow up	Documentation	Third Party Verification (EV: September 12, 2007)	Documentation	Company Follow up
Time-recording system		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards	Time recording is manual and maintained in the register and in the full control of the supervisor in charge. Workers have no authority in recording their in and out time. (Factory has initiated the thumb reader electronic system but it is not functional and will take two months to become operative.)				visual inspection and worker and management and worker interview	The factory has initiated a thumb reader time keeping system, but it is not currently operating. Until this system is operating correctly, the factory will need to have alternative reliable system in place, such as time cards that the employees punch, not the supervisors. Please confirm you will have the employees start using time cards to clock in and out until the thumb reader system is operational. Please send Top of the World/Outdoor Cap copies of time cards for 10 employees for the month of October 2005, by November 15th.	11/15/2005	Factory Response: The employees are using time cards to clock in and out until the thumb reader system is operational. The factory will send time cards for 10 employees for the month of October by 11/15/05.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory has completely installed and is currently using the finger print system for recording time. Outdoor Cap to check on visit in February 06.				Time recording is still done manually and recorded on the time card only. Supervisor has full control over it. Workers only put their signature on the time cards and have no personal control over the recording of their in and out time.	Review of payroll sheet & time records, management interview.	On location auditor confirms thumb print time recorder in addition to manual time cards, however time is still calculated from manual time cards.	
Legal benefits		Employers will provide all legally mandated benefits to all eligible workers	Leave benefit is not practiced properly. Earned leave is not given to workers; festival leave is paid only with the two end holidays (5-8) days; casual leave is sometimes not paid depending on the supervisors; maternity leave is allowed but not paid (with workers encouraged to avail of two months instead of 12 weeks).				Worker interview and records review and management interview	Based on local laws concerning leave, the factory shall immediately start following local law and giving the employees the legally required leaves as stated for annual leave, festival leave, casual and sick leave and maternity leave. Management shall revise the employee handbook to state the above policies and send Top of the World/Outdoor Cap a copy of the revised handbook in the local language and in English by November 1, 2005.	11/1/2005	Factory Response: The factory has already started to give sick leave and maternity leave. They shall immediately start following local law and giving the employees the legally required copies of paperwork, Dec. 05. Still need a copy of revised worker handbook. Outdoor Cap to check on Feb. 2006 visit.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory has established a log for leave and maternity leave. Factory has provided copies of paperwork, Dec. 05. Still need a copy of revised worker handbook. Outdoor Cap to check on Feb. 2006 visit.	Factory has provided copies of paperwork, Dec. 05.	ODC working with factory on revised handbook. Once finalized asking factory to confirm training of workers.	Leave benefit is still not practiced properly. Earned leave is not given to workers, but factory management informed that the earned leave of 2006 will be given at the end of 2007. Festival leave is given in the form of two Eid holiday days. Casual leave, sick leave and maternity leave is given in compliance with the local law.	Workers interview, review of time records, leave register, workers' personnel files and payroll sheets.	On location auditor to confirm leave benefit practiced properly 5/09		
Legal Compliance for holiday/leave		Workers will be paid for holidays and leave as required by law	Friday (weekly day off) work is paid as overtime but not compensated with a compensatory day off within three days as per the law.				Worker and management interview and records review	The factory shall immediately start giving all employees who work on a weekly holiday a substitute day off within the legally subscribed 3 days of the weekly holiday. Send Top of the World/Outdoor Cap 10 employee time cards, attendance records and salary sheets for the month of October 2005 by November 15th as evidence this has been corrected.	11/15/2005	Factory Response: The factory has started to give all employees who work on a weekly holiday a substitute day off within the legally subscribed 3 days of the weekly holiday. The factory will send 10 time cards, attendance records and salary sheets for the month of October by 11/15/05.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory sent time cards, attendance records and salary sheets showing that they are providing employees with appropriate pay and time off, Dec. 05. Outdoor Cap to ask for records for January 06 to review.			Work on weekly off day is compensated as overtime but no compensatory day off is given within three days as per law.	Workers interview, review of time records, leave register, workers' personnel files and payroll sheets.	On location auditor to confirm compensated day off is given 5/09		
Falsely Payroll Records		Employers will not use hidden or multiple payroll records in order to hide overtime, to falsify demonstrate hourly wages, or for any other fraudulent reason.	Factory maintains hidden or multiple payroll records in order to hide overtime, to falsify demonstrate hourly wages.				Management interview and records reviewed	Double record keeping is not an acceptable practice. This must be stopped immediately. Please have upper management draft a letter to Top of the World and Outdoor Cap stating they will no longer keep double books to hide overtime hours in the future.	11/1/2005	Factory Response: Double record keeping has already been stopped.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory submitted a letter from upper management stating that the practice of double books to hide overtime has stopped and will not continue to occur, Dec. 05.	Letter is kept in factory file.			The factory did not maintain any hidden or multiple payroll records in order to hide overtime or to falsify hourly wages.	Review of payroll sheet & time records, interview with management.		
Accurate benefit compensation		All employees will be credited with all time worked for an employer for purposes of calculating length of service to determine the benefits to which workers are entitled	Some of the daily workers have been working in the factory for a long time (up to 4 years continuously) but have not been absorbed as regularized workers.				Attendance record review and management interview and personnel files reviewed, workers interview	The factory shall immediately recognize the time each employee has worked with the company and pay them according to local law. Please send Top of the World/Outdoor Cap a complete record of all employees showing the date of hire and the current pay scale and the graduation pay scale required by local law by November 15, 2005.	11/15/2005	Factory Response: The daily workers don't work regularly. Most of them work 3 days / 4 days in a week. So the factory has not absorbed them as regularized workers.	The factory submitted records showing the immediate recording of new employees' attendance, time cards and salary sheets, Dec. 05.	Records kept in the factory files.			Approximately 11-20 daily laborers are working in different floors 3 to 4 days a week. The workers are working for long hours but not continuously. The payment is made on a weekly basis but the records are maintained on a daily basis through daily payment sheet.	Interview with management and daily laborers, review of daily laborer records and daily payment sheet.		
Other			Newly joined workers' names and attendance records not maintained immediately upon their joining. Workers, who have started working on the 17th of the month, were found not to have had their name and attendance recorded in the attendance register by the end of the month. Only if the workers continue to come and become regular, then their attendance is recorded by the line chief to prepare the monthly wages.				Supervisors and workers interview, interview new workers and attendance records reviewed and full process reviewed	The factory shall immediately have all new employees listed on all attendance records starting from the date of hire. Send Top of the World/Outdoor Cap 5 complete sets of new employee's records, showing their applications, contracts, and for the month of October 2005, their attendance records, time cards and salary sheets by November 15, 2005.	11/15/2005	Factory Response: The factory is now keeping all new employees attendance records from the date of hire. The factory will send 5 complete sets of new employee records, showing their applications, contracts, and for Oct. attendance record, time cards and salary sheets by 11/15/2005.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory submitted records showing the immediate recording of new employee's attendance, time cards and salary sheets, Dec. 05.	Records kept in factory files.		During the floor visit we found a time-card of a worker who had joined on September 1, 2007 but no record/entry of any working time on the time card.	Review of payroll sheet & time records, floor visit, interview with newly recruited workers.	On location auditor to confirm all workers are receiving credit for time worked, 5/09		
Other			Wages are also deducted sometimes for leave applied and approved by the management				Worker, Management interviews and review of personnel files and attendance records	Based on local laws concerning leave, the factory shall immediately start following local law and giving the employees the legally required leaves as stated for annual leave, festival leave, casual and sick leave and maternity leave. Management shall revise the employee handbook to state the above policies and send Top of the World/Outdoor Cap a copy of the revised handbook in the local language and in English by November 1, 2005.	11/1/2005 & 11/15/2005	The factory has already started to give sick leave and maternity leave. They shall immediately start following local law and giving the employees the legally required leaves as stated for annual leave, festival leave and casual leave. The factory will send a copy of the revised handbook by 11/1/2005.	The factory has established a log for leave and maternity leave. Factory provided copies of paperwork.	Copies of log kept in factory files.		From review of records for the last 12 months as well as worker interviews we found no evidence or heard no complaints from workers regarding wages and deductions for approved leave.	Worker interviews, review of time records, leave register, workers' personnel files and payroll sheets.			
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																		
Overtime Limitations		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. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts	Daily, weekly, and monthly working hours with overtime are not maintained. Daily overtime is some times 4 hours a day and monthly more than 72 hours in June and July 2005. In December 2004 the overtime exceeded 100 hours. Continuous work happened in December 2004, May 6 & 20 2005, July 29, 2005.				Worker interview and documents review with management	According to the Factories Act, 1965, Sections 51 & 53, where overtime is paid, no adult worker is allowed to work more than 80 hours per week or 96 per week on an average in a year. According to local law, a worker is expected to work up to 60 hours a week (8 hours normal shift + 2 hours overtime/day x 6 days/week = 60 hours). The factory must comply with local law and our code of conduct concerning hours of work. Send Top of the World/Outdoor Cap 10 employee's time cards, attendance records, salary sheets for the month of October 2005 by November 15, 2005.	11/15/2005	Factory Response: The factory is trying to follow our local law. The factory will send 10 employee time cards, attendance records, salary sheets for October by 11/15/05.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory submitted time cards, attendance records, salary sheets in Dec. 05, showing that are giving workers the appropriate time off. The factory is still working OT weekly about 6 hours over. TOW/ODC will continue to work with factory to get their OT in legal limits.	Records kept in factory files.		Factory did not comply with the limits for overtime hours for daily, weekly and monthly work as per the local law and PC remediation plan. In some cases daily overtime was as long as 10 hours a day and a maximum of 89 hours were recorded in April 2007, 119 hours in May 2007, 122 hours in June 2007 and 112 hours in July 2007. Workers worked continuously from 5-20, May 07.	Workers interview, review time records; leave register, workers' personnel file and payroll sheets.	Overtime is an on-going challenge... working with the factory by altering order schedules to alleviate necessity of overtime. On location auditor to review overtime work 5/09		
Reduce Mandated OT		The employer will demonstrate a commitment to reduce mandated overtime and to meet unforeseen situations	No documents found to verify that OT is voluntary.				management interview and records review	All overtime should be voluntary and a sign up sheet should be posted for all overtime work. The factory will update its worker handbook to reflect this policy and start it by October 1, 2005. Send Top of the World/Outdoor Cap a copy of the revised handbook and a sign up sheet from October by November 15, 2005.	11/15/2005	Factory Response: The factory is now maintaining a sign up sheet to prove all overtime is voluntary. Besides this, the factory informs workers every day for their OT hours before starting their OT. The factory will send a copy of the revised handbook and a sign up sheet for Oct. by 11/15/05.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory provided copies of voluntary OT sign up sheets. TOW found no evidence of forced OT through interviews during the follow-up audit. Outdoor Cap to check on Feb. 06 visit.	Records kept in factory files.	Factory provided voluntary OT sign up sheets for ODC to review.	Factory maintained a sheet with workers' signatures to document workers' consent for voluntary overtime, but not on a regular basis. Management did not post any advance notice to ensure voluntary work. The factory distributed old handbooks, which were printed prior to August 2005 and therefore do not address this issue.	Worker and management interview, floor visit, time & other records review.	Factory to provide updated handbook to TOW 5/09		
Explanation of continued required OT		If the employer repeatedly requires overtime in order to respond to the same situation, the employer will explain why it will not have sufficient staff on hand to avoid the necessity of overtime.	No explanation of continued required OT is maintained				management interview and records review	Employers shall be able to provide explanation for all periods when the extraordinary business circumstances exception has been used. Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances. The factory shall immediately start documenting all overtime hours worked and why. This register shall be kept at all times and be available to any inspector as required. Please send Top of the World/Outdoor Cap a copy of this register for the month of October 2005 by November 15, 2005.	11/15/2005	Factory Response: The factory shall immediately start documenting all overtime hours worked and why. This register shall be kept at all times and be available to any inspector as required. Please send Top of the World/Outdoor Cap a copy of this register for the month of October by 11/15/05.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. Outdoor Cap to check on February Visit 06.	Factory provided voluntary OT sign up sheets for ODC to review.	Factory does not maintain any documents regarding explanation for continued required overtime.	Management interview and record review.	On location auditor to verify factory maintaining documents regarding explanation for continued required OT 5/09			
Overtime Explanation		Employers shall be able to provide explanation for all periods when the extraordinary business circumstances exception has been used. Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances	No record maintained as explanation for overtime practice.				management interview and records review	Employers shall be able to provide explanation for all periods when the extraordinary business circumstances exception has been used. Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances. The factory shall immediately start documenting all overtime hours worked and why. This register shall be kept at all times and be available to any inspector as required. Please send Top of the World/Outdoor Cap a copy of this register for the month of October 2005 by November 15, 2005.	11/15/2005	Factory Response: The factory shall immediately start documenting all overtime hours worked and why. This register shall be kept at all times and be available to any inspector as required. Please send Top of the World/Outdoor Cap a copy of this register for the month of October by 11/15/05.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. Outdoor Cap to check on February Visit 06.	Factory provided voluntary OT sign up sheets for ODC to review.	Workers did not know the reason for overtime work. Still no record is maintained for explanation of reasons for overtime but the management maintained a sheet with the workers' signature as a proof of worker consent to do overtime work.	Worker and management interview and records review.	On location auditor to verify factory maintaining documents regarding explanation for continued required OT 5/09			
Legal compliance with protected workers		The factory will comply with all applicable laws governing work hours, including those regulating or limiting the nature and volume of work performed by women or workers under the age of 18	Women work more than the legal limit i.e. past 8 pm and sometimes as late as 10 pm.				Records reviewed and worker interview	The factory shall immediately comply with local law and not allow women to work past 8pm and not before 7 am. Send Top of the World/Outdoor Cap 10 women employee salary records, including timecards, attendance records, and salary sheets for the month of October 2005, by November 15, 2005 as evidence this has been corrected.	11/15/2005	Factory Response: The factory is trying not to allow women to work past 8pm. The factory will send 10 women's employee salary records, time cards and attendance records for Oct. by 11/15/05.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. TOW found not evidence of women work carried out more than legal limit through interviews during follow-up audit in Dec. 05.			Women workers still worked more than the legal limit i.e. later than 8pm and sometimes from 8am till 7am next day.	Workers and management interview and visit floor.	On location auditor to verify women are working no more than legal limit 5/09		

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings						Remediation				Updates (Cite Date of Follow up)		Third Party Verification		Company Verification Follow up	
			Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (unsubstantiated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation	Company Follow up	Documentation	Third Party Verification (EV: September 12, 2007)	Documentation	Company Follow up
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary	No recording system of voluntary overtime.				Records reviewed and worker interview	All overtime should be voluntary and a sign up sheet should be posted for all overtime work. The factory will update its worker handbook to reflect this policy and start it by October 1, 2005. Send Top of the World/Outdoor Cap a copy of the revised handbook and a sign up sheet from October by November 15, 2005.	11/15/2005	Factory Response: The factory is now maintaining a sign up sheet to prove all overtime is voluntary. Besides this, the factory informs workers every day for their OT hours before starting their OT. The factory will send a copy of the revised handbook and a sign up sheet for Oct. by 11/15/05.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory provided copies of voluntary OT sign up sheets. TOW found no evidence of forced OT through interviews during the follow-up audit. Outdoor Cap to check on Feb. 06 visit.	Records kept in factory files.			Factory maintained a sheet with workers' signatures to document workers' consent for voluntary overtime, but not on a regular basis.	Workers and management interview, floor visit and review of time other records.		
16. Overtime Compensation																		
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.																		
Accurate recording of OT hours worked		Employees will 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	As the time and overtime recording system is manual and maintained by supervisor there is evidence of manipulation of the OT data by the floor level management as a punishment for mistake in the work				Management interview and attendance records review and payroll reviewed	Employees will 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. The factory shall immediately start using time cards for all record of time worked until the thumb reader electronic system is in place and operating correctly, so the supervisors will not have control of any documents that can be manipulated. Please send Top of the World/Outdoor Cap copies of time cards for 10 employees for the month of October 2005, by November 15th.	11/15/2005	Factory Response: The factory is using time cards for all records of time worked until the thumb reader electronic system is in place and operating correctly. The factory will send 10 time cards for Oct. by 11/15/05.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory has installed and is currently using the finger print time recording system. TOW/ODC are monitoring this and will receive records from the system. ODC to check on Feb. 06 visit.	ODC to get records from newly installed thumb reader. Records received and factory has now changed from thumb reader to card swipe because of accuracy. ODC witnessed employees swiping cards.			From the records review and worker interviews, we did not find any evidence of manipulation of the OT records by the floor level management as a punishment for mistake in the work.	Worker interview, visit floor, interview time executive and review time cards.		
OT Compensation Awareness		Workers shall be informed about overtime compensation rates, by oral and printed means	Workers are not aware of the overtime rate and calculation system.				Worker interview	The factory shall starting in October 2005, provide a pay statement that will show the employees earned wages, regular and overtime pay and hours, any bonuses and all deductions taken from their pay. Send Top of the World/Outdoor Cap 10 employees pay statements, time cards, salary sheets and attendance records for the month of October 2005, by November 15, 2005.	11/15/2005	Factory Response: The factory is now providing a pay statement that will show the employee wages, regular and overtime pay and hours, any bonuses and all deductions taken from their pay. The factory will send 10 employees pay statements, time cards, salary sheets and attendance records for Oct. by 11/15/05.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. Tow found no issues thru interviews with workers in Dec. 05. Outdoor Cap will check for pay statements showing employee wages, OT and reg. pay, etc. in Feb 06 visit.			Workers are aware of their overtime hours and overtime compensation.	Interview with workers; review of workers' handbooks, orientation program and schedules.			
Miscellaneous																		
Other (new and fired workers)			Factory does not maintain the number and the list of fired and newly recruited workers on a monthly basis. On the request of auditor factory could only provide records for new recruits on a monthly basis but failed to provide the record for terminated workers.				Attendance record reviewed and management interview and personnel files reviewed, workers interview	The factory shall immediately have all new employees and fired workers listed on all attendance records starting from the date of hire. Send Top of the World/Outdoor Cap 5 complete sets of new employees & fired workers' records, showing their application, contract, and for the month of October 2005, their attendance records, time cards and salary sheets by November 15, 2005.	11/1/2005 & 11/15/2005	Factory Response: The factory now keeps all new employees and fired workers listed on all attendance records starting from the date of hire. The factory shall send 5 complete sets of new employees & fired workers' records, showing their application, contract, and for Oct. their attendance records, time cards and salary sheets by 11/15/05.	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. The factory submitted records showing the immediate recording of new employee's attendance, time cards and salary sheets, Dec. 05.	Records kept in factory files.			Records were maintained for the disciplined or migrant workers on a monthly basis.	Review of workers' personnel files, migrants/terminated/newly recruited workers list, interview with management and workers.		