

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	EM Findings					Remediation					Updates (May 8, 2007)		Updates (November 20, 2007)		Status	Third-Party Verification (November 4, 2008)		Company Verification Follow up		
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (unsubstantiated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Internal audit findings (Optional) Nov. 16th, 2005	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (September 2006)	Documentation	Company Follow up	Documentation		Company Follow up	Documentation	External Verification (Date)	Documentation	Company Follow up (Date of planned or follow up visit, if appropriate)
Other			Chairs are with backrest but not ergonomic.				Visual inspection			Replace all unsafe and un-ergonomic chairs to avoid serious long term back problems for the workers.	End of September 06		09/13/2006 An investment program will start to replace all un-ergonomic and unsafe chairs one by one.	Management interview	All chairs have been replaced with ergonomic chairs.	Verified by visit and Picture (Pic 7 new chairs).		Completed	Ergonomic chairs provided to the employees - Completed	Visual observation		
Other								A simplified HSE management system is not implemented.	A simplified management system must be implemented.	End of 2005	The project starts in February 2006.	09/13/2006 Some basic procedures are implemented.	Documents, management interview	Some basic procedures regarding HSE are implemented now: e.g. risk evaluation, regular safety checks on the machines, regular trainings regarding fire safety and chemical handling.	Basic procedures are implemented and effectively communicated to the workforce. A Management system with internal audits and a management review on a yearly basis has been created to improve the system sustainably.	A Strategic compliance Plan is set up with the principles and timelines for the Management system	Completed and on-going	Have basic written procedures regarding emergency preparedness, safety checks on machines, chemicals use, first aid trainings, protection on machines - But procedure are not always effectively implemented for example: some machines are missing the protection mainly the rivet machines, and chemicals are kept in non proper container (drinking bottle) - On going	Visual observation and documents review			
7. Freedom of Association and Collective Bargaining																						
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.																						
Other	Section 157 and next art. of the labor code			Many of workers are not aware about the function of the consultative committee. The decisions of the consultative committee are communicated verbally to the workers and are not always posted.			Worker Interviews and visual inspection		Provide training to the workers and explain the function of the consultative committee. Minutes of meetings must be published on the notice boards.	End of September 06		09/13/2006 An announcement about the function of the consultative committee is placed on the notice board in French and in Arabic. This notice will be added to the staff handbook as well. Furthermore, the names of the committee members and meeting results will be published on the notice board in future.	Management interview, worker interviews and documents: Announcement of Function of CC 8.7.a in Arabic 8.7.b in French	The updated version of the staff handbook was communicated to the workforce and it now contains information on the role and the function of the consultative committee. The names of committee members, as well as the meeting results are published on the notice board and kept on file.			Completed	Page 3 of the facility Internal rules and regulations (handed to all employees with a follow up log) contains the role of the consultative committee. The consultative committee election was held on 2006 and most employee participated in this election - The names of the consultative committee members are posted on the notice boards - Completed	Records review and workers interviews			
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.																						
Legal benefits		Employers will provide all legally mandated benefits to all eligible workers.	The factory doesn't allow yet arrears of wages of the year 2005 related to the increase in wages decided by the new collective bargaining agreement published in the official gazette number 7 of 01/24/2006.				Records review		Salary raises must be provided to workers according to local law, and in accordance with 2006 Collective Bargaining Agreement.	From the next pay period onwards		09/13/2006 Factory started already with back payments in June 2006. After September wages, all outstanding wage increase payment will be completed.	Management interview and documents 9.8.a for back payments in June 06. Back payments have been completed. Payslips and a list where workers confirmed the receipt of the payments is available on file.				Completed	The work clothes benefits due in May 2006 are still not paid (given) to the employees. The legally required lactating hour (breastfeeding) is not given to the employees who gave birth. On-going	Workers interviews and records review			
Payment of wages		Legally mandated bonuses (e.g. 13th month payments and severance payments) will be paid in full and in a timely manner.	Wages are paid with a delay between 7th and 12th of the next month.				Workers interviews and records review		Workers must receive their wages at least monthly and within 7-10 days of the next month.	From the next pay period onwards		09/13/2006 Wages will be paid latest on the 10th of the month like requested in the addas labor guidelines.	Management interview	Verified by worker interviews and documents.			Completed	Wages are being paid between the 10th and the 15th of each month, and the end of year bonus know as the 13th month. Bonus of 2007 was only paid on July 2008, while it was due on December 2007 - Pending	Documents review and workers interviews			
Payment of Legal Benefits		Legally mandated benefits will be provided or paid in full within legally defined time periods.	The calculation of the transport bonus, the assiduity bonus and the presence bonus is made on hourly basis. This method doesn't allow the employee to get the full bonus when the number of monthly hours are below the one used for bonus on hourly basis.				Records review		Incentive, attendance or other productivity bonuses and the policy in relation to salary increases must be documented in the worker handbook so that all workers are aware of the bonuses which they are entitled to. The calculation must be based on local laws.	From today onwards		09/13/2006 Beginning in September 2006 and onwards, the calculation will be according to law; this means that bonuses will be based monthly for workers who were present at working days, and if a worker was absent on some days, the bonuses will be based on the days the worker was present at work.	Management interview	Verified by worker interviews and documents.	Verified by visit and documents (Pic 9 fiche de paie1).		Completed	Payment of transport bonus was done on a monthly basis until June 2008 and from July 2008 it is again calculated on an hourly basis - No explanations are given by the management except that it is a IT error - Payment of the 2007 annual leave is still not done. Pending	Documents review, workers interviews and management interview			
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.																						
10. 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.																						
OT Compensation		The factory shall comply with applicable law for premium rates for overtime compensation.	Overtime needed to attend the quotas of production is not paid and not raised.				Worker interviews and visual inspection		Workers must not do overtime or work during breaks to fulfill their quotas. An OT policy must be documented (e.g. in worker handbook), together with a procedure by which a worker can advise a supervisor that the worker is not available or not willing to do overtime. Train supervisors in the relevant labor law provisions and the Addas requirements in relation to the 60 hour work week. If Management ask for OT to reach production targets OT plus compensation will be paid.	From today onwards		09/13/2006 The staff handbook will be revised: it will be mentioned that overtime is always voluntary and nobody will be forced to work longer hours to reach the quotas. All overtime will be announced at least 48 hours in advance. Working during the breaks will be forbidden.	Management interview	05/08/2007 Visual inspection, documents (new version of staff handbook) checked. The staff handbook contains a chapter regarding overtime. It states a) overtime is voluntary; b) will be announced at least 48 hours in advance; c) all OT is being paid according the local law. All workers have been verbally trained on the new version of the staff handbook and a copy was given.			Completed	All hours marked in the time records are being paid, but several employees were observed working during the break either to meet the hourly quota, or to do repair jobs - Interview of employees and management reveal that it is voluntarily action from the employees - Pending	Visual observation + workers interviews + Management interview			
Miscellaneous																						