

FLA Audit Profile

Factory Code	7200329746
Country	India
FLA Affiliate	Hanesbrands
Monitor	Fair Wear Foundation
Audit Date	November 24-25, 2009
Products	Garments
Processes	Cutting to packing
Number of Workers	525



FAIR LABOR
ASSOCIATION™

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

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

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	2 (out of 5)

Explanation: While records produced by management showed double wages were paid for the recorded OT, workers interviews indicated single wages were paid for unrecorded OT (for which records were not produced in full for the audit).

Plan Of Action: Hbl will perform follow up visit to this factory next 4 months to ensure that the factory did not hide payroll records and ensure that wages are properly calculated and distributed.

Deadline Date: 07/31/2009

Supplier CAP: Factory is willing to provide genuine and complete records always.

Supplier CAP Date: 01/31/2009

Action Taken: Hbl follow up audit is conducted by [monitor] on 2/23/2009: according to the documents review and workers interview, the factory presented the genuine records and overtime payment is correctly calculated to employees.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Wages, Benefits and Overtime Compensation: I. Premium/Overtime Compensation

WBOT.10 The factory shall comply with all applicable laws, regulations and procedures governing the payment of premium rates for work on holidays, rest days, and overtime. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	2 (out of 5)

Explanation: All OT was said to be paid in double, as per management interviews. But workers mentioned some OT payments were not paid at premium rates. Some also mentioned improper recording of OT. Management could not

Plan Of Action: convincingly provide proper records.
Hbl will ensure that the factory completely and properly records working hours. We urged the factory to pay OT premium to workers according to legal requirement. We will monitor the transparency of OT counting and calculations in factory. The 1st follow up visit by be done in February.

Deadline Date: 02/28/2009

Supplier CAP: Factory confirmed that they paid OT premium to workers for all OT hours according to legal requirements. The misunderstanding of OT wage calculation was due mistake by a new employee. Factory will arrange the recurring training and education to workers about the wage calculation from time to time.

Supplier CAP Date: 02/23/2009

Action Taken: Newly recruited workers from different factories with different pay practices were given confusing statements. We have started educating our workers about our compensation procedures.
Upon further inquiry, issues related forgetting to make in/out in bio metric finger print machines also came to light which lead to wrong understanding of OT payment.

Hbl follow up audit is conducted by [monitor] on 2/23/2009: As per workers statement from interviews and documents review, it is found that all overtime work is compensated @ 200%.

Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Wages, Benefits and Overtime Compensation: O. False Payroll Records

WBOT.19 Employers shall not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason. Payroll records maintained shall be authentic and accurate. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	1 (out of 5)

Explanation: Excessive OT is recorded in July-August 2008, but OT records for other months. As quoted from workers interviews, records not are seen in the documents presented to the audit team by the management. Management could not produce convincing evidence of actual OT and double payment for all OT.

Plan Of Action: Hbl will ensure the factory recorded the working hours completely and properly. We urged the factory to pay the OT premium to workers according to legal requirement. We will monitor the transparency of OT counting and calculations in factory. The 1st follow up visit will be done in February.

Deadline Date: 02/28/2009

Supplier CAP: Factory confirmed that they did not have double record and all hours are truly reflected in time sheets. They noted the workers had low productivity

therefore they conducted the training to improve the efficiency. However, they confirmed that factory pays sufficient premium for those OT hours if it is occurred.

Supplier CAP Date: 02/23/2009

Action Taken: Overtime properly recorded. Factory had excessive overtime in the month July -August 08 and it has evidence in the records. On 30.07.08 they initiated HR intervention program titled "HAPPY WORK FORCE" and kick-started a variety of welfare measures. This program has reduced absenteeism and employee turnover. If the worker needs to engage to OT, they will be paid as legal required premium rate. Hbl follow up audit is conducted by [monitor] on 2/23/2009: According to the Factories Act, 1948 quarterly overtime limit is 50 hour in a quarter. In the 3rd quarter of 2008 that is from July'08 to September'08, factory had overtime work only in July and maximum overtime hour is noted at 54 hour.

No overtime work is noted in Aug'08 & Sept'08. As a result only 4 hour excess overtime work was done in the 3rd quarter of 2008. However, As of this visit, maximum overtime are noted for Cutting dept.16,22 & 12 hour, Sewing dept. 16,18 & 14 hour, Trimming dept.16,18 & 12 hour, Packaging dept. 18, 18 & 20 hour and for checking dept. 16, 20 & 14 hour respectively in Nov'08, Dec'08 & Jan'09 those are within legal limit.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Wages, Benefits and Overtime Compensation: V. Pay Statement

WBOT.26 Employers shall provide workers a pay statement each pay period, which shall show earned wages, wage calculations, regular and overtime pay, bonuses, all deductions and final total wage. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	1 (out of 5)

Explanation: Payment slips are not given to workers when they are paid for OT during the middle of the month, whereas they do receive pay-slips for the actual shift wages paid at the end of each month.

Plan Of Action: Hbl will ensure the factory to provide pay slips. In addition, we will monitor how calculates OT. The 1st follow-up visit will be done in Feb.

Deadline Date: 02/28/2009

Supplier CAP: It was due to the worker committee members pay wages in two installments to new comers as many of them were in weekly mode in their previous employment. They are confused. However, it was requested by workers, twice payment in a month will be continued. However, they will provide training to workers for their wage calculation and provide pay slips for each payment.

Supplier CAP Date: 02/23/2009

Action Taken: Hbl will update this issue in Feb visit. Hbl follow up audit is conducted by [monitor] on 2/23/2009: Only a few workers (around 11 nos. of workers)

were paid IRS. 500.00 as advance on weekly basis and the weekly paid wages were being adjusted with monthly wages. This is why, factory maintained only one wage slip during final payment. However, they have introduced pay slips for weekly advance payments, if any in future. (Pay slip is attached)

Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Freedom of Association: S. Right to Collective Bargaining/Good Faith

FOA.19 Employers and worker representatives shall bargain in good faith, i.e. engage in genuine and constructive negotiations and make every effort to reach an agreement. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	1 (out of 5)

Explanation: There is a works committee, but there is no forum for CBA. As the management is not a TEA member, the CBA rates for the industry are not binding to this factory. Thus, there is no scope for workers to engage in collective bargaining.

Plan Of Action: HBI will coach the factory in how to have an effective worker committee.

Deadline Date: 06/30/2009

Supplier CAP: Factory confirmed that many of such deliberations were not recorded in previous CBA and henceforth it will be ensured that all such representations will be properly minute. In addition, works committee members will be trained on labor laws by an external organization to raise their awareness of CBA.

Supplier CAP Date: 03/31/2009

Action Taken: Worker committee members also selected through a general election as a part of HAPPY WORK FORCE PROJECT. Though the minimum wages for Tailors is INR 98.65, we pay them INR 130/- and for cutting masters we pay INR 140/-. These best pay practices and even 5.67% ex-gratia given to our employees also results of worker committee engagement. Hbi follow up audit was conducted by [monitor] on 2/23/2009: Factory management is advised on how to maintain minutes for all the meetings with the workers representative committees.

Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Non-Discrimination: C. Recruitment and Employment Practices (Job Advertisements, Job Descriptions, Evaluation Policies)

D.3 Recruitment and employment policies and practices, including job advertisements, job descriptions, and performance/job evaluation policies and practices shall be free from any type of

discriminatory bias. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	3 (out of 5)

Explanation: 11 disabled workers are employed in the factory with some special care. For instance a worker with a limp is allowed to sit and work. Management has conducted along with [non-governmental organization] a special drive to recruit workers with disability. This is a good practice worthy of mention.

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Miscellaneous: A. Code Awareness

GEN.3 Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	1 (out of 5)

Explanation: Although codes are displayed in the local language, there is no means for employees to report non-compliance, if any. Contact information of the Company is not mentioned in the code of conduct display.

Plan Of Action: Hbl will work to ensure that there are effective means of communication between factory workers and their management.

Deadline Date: 06/30/2009

Supplier CAP: Supplier has no extra plan on this.

Supplier CAP Date: 02/23/2009

Action Taken: Hbl follow up audit was conducted by [monitor] on 2/23/2009: Workers now can communicate through their representatives, leave complaints in suggestion boxes and they now have access to management representatives. Also, Hbl auditor conducts regular audit in the factory and performs a factory tour & conducts employee interviews. It provides the opportunity for workers to tell auditor their complaint about the facility.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:
Action Verified Date:
Comments:

Health and Safety: I. Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	2 (out of 5)

Explanation: Although evacuation plans are in place, and regular drills are also conducted, inflammable substances, such as cartons of finished goods were found stored in stairwells. Management mentioned that the stairwell is a short-term storage area. Audit could not confirm if this is an everyday practice.

Plan Of Action: Hbl will perform follow up visit to this factory regularly to ensure that the exits are clearly marked and easily accessible always. We will invite the safety officer to draw the plan to monitor these issues monthly.

Deadline Date: 02/28/2009

Supplier CAP: Better storage solutions will be planned and implemented for accessories stores to ensure optimum space utilization. By doing this all incoming accessories materials can be placed in to stores directly and need not require to keep it outside.

Supplier CAP Date: 01/31/2009

Action Taken: Hbl follow up audit is conducted by [monitor] on 2/23/2009: All shipping cartons were found in the designated area and no cartons are observed in the stair cases or in any exit route.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: J. Safety Equipment and First Aid Training

H&S.10 All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be available in sufficient numbers throughout the factory, maintained and stocked as prescribed and easily accessible to workers. A sufficient number of workers shall be trained in first aid and fire fighting techniques. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent	Fair Wear Foundation	1 (out of 5)

External (FWF)
Monitoring

Explanation: There is only one fire extinguisher available for both the Packing/Fabric Store Area and the First Floor Section A. First aid supplies are not stocked as per the list maintained in the factory. No procedures of first-aid are posted.

Plan Of Action: Hbl will ensure the factory to places sufficient fire extinguishers and first aid suppliers in all work floors. We will inspect those issues again in 1st follow up visit in Feb.

Deadline Date: 02/28/2009

Supplier CAP: 1) Checklist of fire extinguishers will be prepared to ensure easy availability on the work floor.
2) A daily checklist will be used to check medicines in all first aid boxes. Nurse will be assigned this task. In addition to this, a Safety Officer will be appointed to monitor overall health and safety activities.

Supplier CAP Date: 12/31/2008

Action Taken: 1. One fire extinguisher added on 01.12.08. An inspection checklist had been prepared to ensure all factory buildings have fire extinguishers as required by law.
2. Safety training is given by HR Manager on 28.11.08 on OHSAS -18001 requirements. Hbl follow up audit is conducted by [monitor] on 2/23/2009: 7 fire extinguishers are found in the packing room with an area of 8000 sft (approx) and 2 fire extinguishers are found in the fabric store with an area of 200 sft (approx.)

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: K. Personal Protective Equipment

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

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	1 (out of 5)

Explanation: Masks are provided, but not used by employees. Rubber mats for standing workers are not provided; Ear plugs in the automatic cutting area are only given to cutting machine operators.

Plan Of Action: Hbl will visit the factory in Feb and will instruct the safety officer on his job responsibilities. HBI will also inspect his work to see if he performed his duties with due diligence. Also, we will review the trainings records to determine whether the factory has given PPE training on regular basis.

Deadline Date: 02/28/2009

Supplier CAP: Safety officer is appointed to provide training to the employees on how to use PPE and its importance. Also, he will be responsible to monitor the employees in using PPE. Rubber mats will be provided to all workers

working in the standing position before 01.01.09.

Supplier CAP Date: 02/28/2009

Action Taken: A safety officer is appointed to monitor these activities. Training schedule is prepared and conducted to raise the awareness among workers about personal protective equipments. Ear plugs were given to all workers in cutting area and all workers were educated on the importance of hearing protection. Hbl follow up audit is conducted by [monitor] on 2/23/2009: Rubber mats were not provided to the standing workers. Ear plugs were given to all workers.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: T. Bodily Strain

H&S.20 Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains. Employers shall train workers in proper lifting techniques and items such as belts shall be provided. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	1 (out of 5)

Explanation: Employee use of chairs without back-rests is an ergonomic concern.

Plan Of Action: Hbl will ensure the factory provides chairs with backrests to employees in the next 6 months. We will have 1st follow up visit in February.

Deadline Date: 03/31/2009

Supplier CAP: Ergonomically designed chairs were given to tailors in the last year, but they did not feel comfortable using these, as they were accustomed to sitting in chairs without backrests. They argue that, as they have to lean forward to operate machines, backrests will not help. Factory will educate employees about its importance and encourage them to use it in phased manner. Factory will select tailor as phase 1 and the remaining workers will be on next phases. It should be taken around 6 months.

Supplier CAP Date: 06/30/2009

Action Taken: Factory had provided seats with backrests to tailors (see attached photo). Hbl follow up audit is conducted by [monitor] on 2/23/2009: In regards to the lack of backrests on factory seats, management says that workers are comfortable with the present seating and that employees have not complained of back pain. However, the management will look into this matter will let Hbl know if they are able to provide such seats because it costs extra money during economy downturn.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: U. Medical Facilities

H&S.21 Medical facilities shall be established and maintained in factories as required by applicable laws. Medical staff shall be fully licensed and recognized under applicable local rules and regulations. An appropriate number of medical staff shall be on duty during all working hours, including any type of overtime, as required under local law. An appropriate stock of medical supplies shall be maintained at all times. Medicines of which the expiration date has passed must be replaced immediately and disposed of in a safe manner. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	1 (out of 5)

Explanation: Although the factory has a full-time nurse, the doctor's visit is scheduled on Sundays. He does not visit during the regular work week. So, the doctor's visit is only available to workers staying in the dormitories and not to all regular workers.

Plan Of Action: Hbl will ensure the factory to arrange the on-site doctor on weekdays during regular working hours. The 1st follow up visit will be done in Feb.

Deadline Date: 02/28/2009

Supplier CAP: Will reschedule doctor visits on week days to ensure that all employees will be benefited of this arrangement.

Supplier CAP Date: 02/28/2009

Action Taken: Doctor had been arranged to visit the factory on week days. Appointment letter of doctor is attached herewith. Hbl follow up audit is conducted by [monitor] on 2/23/2009: The latest visit of doctor is recorded on February 09, 2009 and Factory will ensure daily visit of the doctor in effective from February 25, 2009.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: V. Sanitation in Factory Facilities

H&S.22 All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical and safety and health regulations. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	1 (out of 5)

Explanation: The conditions in the kitchen are not up to the standard prescribed for food service establishments. There appears to be a major problem with house-flies, despite the installation of pest control equipment. The storage of food in the canteen/kitchen is unsanitary e.g. raw vegetables are stored on the floor.

Plan Of Action: Hbl will ensure the factory outlines an improvement plan for food storage and pest control system. The 1st follow up visit will be done in Feb.

Deadline Date: 02/28/2009
Supplier CAP: Existing pest control service for house-flies will be carried out on a monthly basis. Additional requirements of pest control equipments also will be installed. Also, will provide training to the kitchen helpers about the house keeping and hygienic condition of kitchen.
Supplier CAP Date: 01/31/2009
Action Taken: Uncut vegetables were kept on the RCC slabs in the store room. Hbl follow up audit is conducted by [monitor] on 2/23/2009: Factory has introduced regular pest control system and no such flies were observed during this visit. Raw vegetables are now stored in the wooden pallet and on the rack instead of floor.
Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Health and Safety: Y. Food Preparation

H&S.25 All food made available to workers shall be prepared, stored, and served in a safe and sanitary manner in accordance with all applicable laws. All workers handling food shall be provided with the tools and equipment necessary to do so in a safe and sanitary manner. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	1 (out of 5)

Explanation: The storage of food in the canteen/kitchen is unsanitary. E.g. raw vegetables are stored on the floor.
Plan Of Action: Hbl will ensure the factory outlines an improvement plan of food storage system and pest control system. The 1st follow up visit will be done in Feb.
Deadline Date: 02/28/2009
Supplier CAP: Will provide wooden pallets for keeping vegetables. Also, safety officer is assigned to check the storage of food on weekly basis as long term plan.
Supplier CAP Date: 01/31/2009
Action Taken: Uncut vegetables were kept on the RCC slabs in the store room. Hbl follow up audit is conducted by [monitor] on 2/23/2009: Raw vegetables are now stored in the wooden pallet and on the rack instead of the floor.
Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Health and Safety: Z. Drinking Water

H&S.26 Safe and clean drinking water shall be freely available at all times, within reasonable distance of the workplace. Drinking water shall be of a reasonable temperature and the means to

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drink water (cups, etc.) must be safe and sanitary and available in an appropriate number. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	1 (out of 5)

Explanation: The physical and chemical quality of the water has been tested. However, biological quality of the water has not been done

Plan Of Action: Hbl will advise the factory to have biological testing conducted on drinking water quarterly.

Deadline Date: 02/28/2009

Supplier CAP: Safety officer is responsible for this task. Drinking water will be tested for chemical and biological parameters quarterly.

Supplier CAP Date: 11/30/2008

Action Taken: Biological test conducted for drinking water on 27.11.08 and test results attached. Hbl follow up audit is conducted by [monitor] on 2/23/2009: Biological test was done on November 04, 2008.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: ZC. Other - Health and Safety

Other

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	3 (out of 5)

Explanation: Some best practices observed are: 1. Special program to promote child education 2. Daily best worker award promote worker enthusiasm; Also there is a monthly award ceremony held at the home of the winner. 3. Medical Camp to identify Occupational Illness 4. Special Eye Diseases identification camp 5. Special Blood Donation Camp 6. To avoid use of plastics the company uses tarpaulin bags - the longevity of which is more (2 years) 7. Happy Workforce Day - to reduce attrition and absenteeism

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Hours of Work: F. Time Recording System

HOW.6 Time worked by all workers, regardless of compensation system, shall be fully documented by time cards or other accurate and reliable recording systems such as electronic swipe cards. Employers are prohibited from maintaining multiple time-keeping systems and/or false records for any fraudulent reason, such as to falsely demonstrate working hours. Time records maintained shall be authentic and accurate. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	1 (out of 5)

Explanation:	Excessive OT in July-August 2008; Non-availability of OT records in complete for audit; and lack of convincing evidence from management to prove double payment for all OT make it a non-compliance.
Plan Of Action:	Hbl will ensure the factory records the working hours completely and properly recorded. We will insist that the factory pay OT premium to workers according to legal requirement. We will monitor the transparency of OT calculation in factory. The 1st follow up visit by be done in February.
Deadline Date:	02/28/2009
Supplier CAP:	Newly recruited workers from different factories with different pay practices were given such misleading and confusing statements. Factory confirmed that they did not have double records and all hours are truly reflected in time sheets. They noted the workers had low productivity therefore they conducted the training to improve the efficiency. However, they confirmed that factory pays sufficient premium for OT hours, if they are accrued. Regardless, they will provide training to workers for their wage calculation and provide pay slips for each payment.
Supplier CAP Date:	12/30/2008
Action Taken:	Reduced absenteeism and attrition rate is now consistently maintained in our factory. Hbl follow up audit is conducted by [monitor] on 2/23/2009: Factory has not had excessive overtime since November. Maximum overtime was noted in Nov'08, 18 hours, December'08, 22 hours and January'09, 20 hours. All overtime was paid @ 200% with proper time tracking sheets for recording overtime work.
Plan Complete:	
Plan Complete Date:	
Action Verified:	
Action Verified Text:	
Action Verified Date:	
Comments:	

Hours of Work: R. Annual Leave/Wage Payments

HOW.18 Employers shall provide workers taking annual leave their normal or average wages for the full period of annual leave in advance, unless specified differently under local laws, regulations and procedures. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent	Fair Wear Foundation	1 (out of 5)

External
Monitoring (FWF)

Explanation:

Plan Of Action: Since there is no auditor explanation in the report, we did not provide any response for this code.

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Hours of Work: V. Suspension of Work

HOW.22 Employers can only suspend work in accordance with local laws, regulations and procedures. Workers shall be paid in full during periods of suspension, unless local laws stipulate otherwise, workers and their representative organizations (temporarily) agree otherwise, and the relevant national authorities authorize the alternative arrangement. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/24/2008	External	FLA Independent External Monitoring	Fair Wear Foundation (FWF)	1 (out of 5)

Explanation: Due to machine repair and other reasons, the 'layers' and 'sorters' in the cutting area are informed of non-availability of work on the next day. On such occasions wages are not paid to them. On days that they are already present in the shop-floor when such work-stoppage occurs, they are given alternative work with regular wages. There is no evidence that loss of such work-hours are made up with OT, but it is a case of 'no work-no pay' on a few days. Management accepted this finding from workers interview but insisted that it doesn't happen often.

Plan Of Action: Hbl will ensure the factory to pay back-wages to those work stoppage workers. Also, we will review what remediation in their production & HR policy to be taken in avoiding this issue in future. The 1st follow up visit will be done in Feb.

Deadline Date: 02/28/2009

Supplier CAP: Factory confirmed this issue happened, as there was no work in a specific workshop and no work to be assigned to those workers. This action remained 8 workers were absent for few. They will quantify the amount of owed wages and pay back the wages to them. It would further educate the line leader to have better production planning in future to ensure it is not happened again.

Supplier CAP Date: 12/31/2008

Action Taken: Factory collected name list of those affected eight workers and paid back the owed wages to them. (Evidences of payment details are attached). Hbl follow up audit is conducted by [monitor] on 2/23/2009: Payment is released to the workers. Workers confirmed that they have received their wages during interviews.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:
