FLA Audit Profile		Independent External Verification	Independent External Verification
Country	Bangladesh	Bangladesh	Bangladesh
Factory name	38020586D	Factory Name: 38020586DV	38020586DVV
IEM	LIFT Standards Ltd.	Phulki	Level Works Limited
Date(s) in facility	July 30-31 & August 2 and 4, 2005	Septemebr 12, 2007	June 15- 16, 2009
PC(s)	Top of the World and Outdoor Cap Company	Top of the World	Top of the World
Number of workers	948		
Product(s)	Caps and Hats		
Production processes	Cutting, sewing and finishing		

FLA Code/ Compliance issue Country Law/Lega	gal Reference FLA Benchmark	Non-compliance Risk of Non-co	IEM Findings Evidence of Non-compliance	·	Target Completion Da	Remediation Factory Response (Optional) Company follow up (Cite date of follow up)	Updates (Cite Date of Follow up) Company Follow up Documentation	Third Party Verification Third Party Verification Third Party Verification (IEV: September 12, 2007) Company Verification Follow up	Third Party Verification Cocumentation Third Party Verification (IEV: June 15-16, 2009) Sources/Documentation use for corroborating	Company Verification Follow up Company Follow up (August-November 2009) Company Verification Follow up Documentation
			compliance explain why used for corroborating implement fractions and the compliance (uncorroborated) Compliance explain why used for corroborating implement fractions from the corroboration fraction from the corroboration fraction fractions from the corroboration fraction fraction from the corroboration fraction fraction fractions from the corroboration fraction fraction fractions from the corroboration fraction f	ory nent or	Completion Da	ioliow up)		(30p.0.1	(IEV. Julie 13-10, 2009) for corroborating	(guot Novolliber 2003)
1. Code Awareness Worker/management awareness of Code			Workers and management interview about the training and records reviewed			Factory will send photos of the training of Code of Conduct. They will also send notes of the training and signed documentation from workers that took the training by the first week of August 2006.	CoC meetings held for employees and signature sheets from all employees that attended. Received	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 fire evacuation 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. TOW 5/09. TOW 5/09.	Complete: Regular monthly training is conducted and workers (especially old workers) found aware of the code provision and factory rules like leave entitlement, OT calculation, disciplinary systems etc. Training document review at workers and management interview interview	id
Confidential non-compliance 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 doin so.	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. 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 suggestions/grievances are handled so that they can be resolved for the worker. 		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.	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.	Incomplete: A secure reporting channel to contact the company was not found. Workers were found unaware of the communication channel i.e. contact number and email of the company representative. Visual inspection and worke interview.	Examples of the poster and a photo of displayed in the factory are uploaded the FFC site.
labor or otherwise	er in the form of prison labor, indentured labor, bonded									
Employment Records	employment records to demonstrate and	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, 1person - 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.	11/1/20	 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. 		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.	Complete: Personnel files are complete and it takes one week to complete the new personnel files. Personnel files review and interview new workers.	
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	11/1/2005 & 11/15/2005	The factory is now giving the service book, appointment letter including breakdown of wages, an age and fitness certificate completed upon hiring an employee. Will send requested items by		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 Review of worker personnel time to complete personnel filefactory to supply copies of recent personnel filesby 5/09.	Complete: It takes one week to complete the new workers' personnel files. Personnel files review and interview new workers.	
Employment Records 3. Child Labor	employment records to demonstrate and	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	fitness certificate, by November 1, 2005. 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.	11/15/2005	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.	Complete: All the contract papers and personnel files found complete.	
No person will be employed at an age younger the allows) or younger than the age for completing countries such age is higher than 15.	than 15 (or 14 where the law of the country of manufacture compulsory education in the country of manufacture where	e								
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.	11/1/20	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, 2005. 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 certificate 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.	Complete: Age and fitness certificate are issued on or before the joining of the new workers. Personnel files review.	
in a separate bui	childcare facilities will not physically overlap with production areas, and children will not have access to production areas.		Visual inspection and workers interview and training system quarry 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 all obstacles that are not related to childcare. The factory must now promote the use of the child care facility to the employees. We recommend the factory contract with Lift-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 Lift-Standards for the consultancy training by November 1, 2005, see attached information regarding this program.		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	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. 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	Incomplete: Childcare facility is not functional and still in the main factory building on 4th floor. The childcare center was found empty without any one responsible (caretaker) for the room. Moreover one child was found inside the factory building ground floor who was a nephew/ orphan of a worker who works on the 5th floor of the building, which is a sister concern of the factory (same owner). With the intervention of the auditor the child was placed in the child care room for the time being.	COMPLETE Immediate discussion of the child-care facility with factory management implemented as soon as the audit findings were given to the PC. A new room was created and equipped for the facility and child-care was resumed formally in November 2009. Certified staff were hired to work in this facility and it is operating now.
Children on the Premises (New findings) 4. Harassment or Abuse									New Findings: One child (orphan and nephew of a loader) was found inside the factory on the stairs and cutting section area while the childcare center remain empty without any attendance or guard. The child was playing on the ground floor who was a nephew/ orphan of a worker, who works on the 5th floor of the building which is a sister concern of the factory (same owner).	COMPLETE New policies have been implemented with the factory staff and management outlining the concern over children being on the premises. The new child-care facility is open now and will provide a safe location for all children to be supervised if they must accompany an adult to the building.
Every employee will be treated with respect and sexual, psychological or verbal harassment of above Progressive Discipline			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 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.	11/1/20		will be given to the workers. 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.	Complete: Disciplinary policy and procedure has been established and worker training is conducted on the above mentioned issues. Documents review and workers interview.	
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 the or assault, shall be in writing and clearly communicated to workers.	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 s/he 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, s/he 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		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.	will be given to workers. documentation from 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. TOW 5/09 TOW 5/09	Complete: No such termination case due to absence could be identified and workers informed that factory has stopped informally communicating the policy. Factory issue warning letter or follow disciplinary system in case of such absence.	
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 warning letters	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.		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 will be provided to the workers by the Social Compliance manager the month of July.	will be given to workers. 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 of 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.	Complete: Disciplinary policy and procedure has been established and worker training is conducted on the above mentioned issues. Reason for disciplinary action is indicated on the warning letters. Documents review and workers interview.	
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 and we, Top of the World/Outdoor Cap, fully recommend that [factory] contract with Lift-Standards to complete this training program which consist of a 2 day disciplinary and CoC training and the 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.		The 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		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 trainingsign in sheets for training to be submitted to TOW 5/09.	Complete: Factory arranges internal training for the workers on the disciplinary system (policy and procedure) on a monthly basis. Documents review and workers interview.	
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 and we Top of the World/Outdoor Cap fully recommend that [factory] contract with Lift-Standards to complete this training program which consist of a 2 days disciplinary and CoC training and the 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	11/1/20	be provided to the workers. The 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	documentation of training by documentation from	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.	Complete: Records are maintained for disciplined and migrant workers on a monthly basis.	
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 to made to stand in front of the sewing line for half an hour as punishment for absence.	workers and supervisors interview and group discussion.	training date by November 1, 2005. The factory will attend a training of supervisors/management on treatment of employees and disciplinary actions. We are sending a training outlined from Lift-Standards and we Top of the World/Outdoor Cap fully recommend that [factory] contract with Lift-Standards 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.		management. Training to be The 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. Thru worker	documentation of training by documentation from	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. Factory does periodic trainingsign in sheets for training to be submitted to TOW 5/09	Complete: Verbal abuse and informal punishment system has stopped. Training for the workers and supervisors has been conducted. But training needs to continue on a regular basis. Workers interview & document review.	
			worker and supervisor	The factory will immediately STOP the practice of omitting		interviews, no evidence of continued The factory Response: The factory has stopped the practice Copy of attendance		There was no evidence of omissions with the Workers and management	Complete: No case of salary Workers interview &	

FLA Code/ Compliance issue	Country Law/Legal Reference FLA Benchmark	Non-compliance Risk of Non-compliance	Findings Evidence of Non- compliance (uncorroborated) Evidence of Non- compliance (uncorroborated) Evidence of Non- compliance (uncorroborated) Explain why explain why compliance (uncorroborated) Evidence of Non- compliance (uncorroborated)	P III	Target Factory Response (Optional) Company follow up (Cite date of follow up) Completion Date Factory Response (Optional) Company follow up (Cite date of follow up)	Cite Date of Follow up) Up Documentation Third Party Verification Third Party Verification (IEV: September 12, 2007) Third Party Verification Documentation Company Verification Follow Company Follow up Documentation Company Follow up	1 1111 0 1 0 1 0 1 1 1 1 1 1 1 1 1 1 1	' '
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.	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.	Complete: No case of salary deduction has been identified. Workers interview & document 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 soothe 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 & Factory Response: The factory provided copy of Copy of handbook ODC reviewing and wo	as per remediation plan but it was the old version. group discussion. Interview of new handbook 5/09.	Complete: Workers are aware of the disciplinary and grievance system. They are aware of the existence of suggestion box but do not use them actively. Factory has a new Workers Participation Committee elected on May 30, 2009 which is still functional. Suggestion boxes only receive minor complaints or problems like toilet repair, non-functional lights or fans, etc. Only 3 such complaints submitted in the last few months.	VPC
advancement, discipline, termines sexual orientation, nationality, p	discrimination in employment, including hiring, salary, benefits, ation or retirement, on the basis of gender, race, religion, age, disability, olitical opinion, or social or ethnic origin.							
		There is no fire fighting team trained. Only 3 anames 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 on 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.	1. The 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 sent a copy of their first members were sent. 2. The factory stating who is responsible for maintaining the first aid boxes by December 15, 2005. The factory sent a document of the factory stating who is responsible for appointment of the factory stating who is responsible for appointment of the factory stating who is responsible for appointment of the factory stating who is responsible for appointment of the factory stating who is responsible for appointment of the factory stating who is responsible for appointment of the factory stating who is responsible for appointment of the factory stating who is responsible for appointment of the factory stating who is responsible for appointment of the factory stating who is responsible for appointment of the factory stating who is responsible for appointment of the factory sent a copy of their first aid photos of the members were sent. 2. The factory sent a document of the factory sent a document of the factory sent and photos of the members were sent. 2. The factory sent a document of the factory sent a document of the factory sent and photos of the members were sent. 2. The factory sent a document of the factory sent 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 a document of the factory sent 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 a copy of their first aid policy on 10/31/05. The factory sent a document of the factory sent and photos of the members were sent. 2. The factory sent and photos of the members were sent. 2. The factory sent are provided in the factory sent and photos of the members were s	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 ut this is cition. Compliance Officer, interview with firefighting team and workers. Inspection of the firefighting equipment and the notice board on the production floor. Compliance Officer, interview with firefighting team and workers. Inspection of the firefighting equipment and the notice board on the production floor.	Completed: Fire fighters have been traine, list with pictures is posted on each floor. 2 doctors (one male and one female) come in two times, for half the day. A full time nurse is also available in the factory. Visual inspecting & work interview and documents review.	
Fire Safety Health and Safety legal compliance							New finding: Fire extinguisher found empty and not available in a number of places. Visual observation	COMPLETE Aug '09 - Oct '09 Policies on adequate safety equipment have been updated and training with all staff has been implemented to ensure that there is no
Evacuation Procedure	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	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.	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 this 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.	Completed: Fire drill is conducted every month and documented in register. Documents review and workers interview.	empty or missing equipment at the facility.
H&S 9. Evacuation requirements and procedure							New finding: Aisles and fire extinguishers are found partly blocked in the main stairs, in front of the store. Main factory entrance was partly blocked with fabric roll and cartons.	COMPLETE 06/18/09 The entrance and aisles were cleared of all items blocking access to/from for all workers. Aug '09 - Oct '09 Policies on adequate safety equipment have been updated and training with all staff has been implemented to ensure that there is never empty or missing equipment at the facility.
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		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,	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 11/1/05. 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 still not well stocked in Dec. 05, TOW will send a fully stocked in Dec. 05, TOW will send a fully stocked first aid kit as an example by 2-15-06. Outdoor Cap to check on February 19 factory follow-up visit.	during walk-through and found two boxes empty. There were only Nuspa tab – 2 nos., Abomine tab – 2 general workers, inspection of the first aid boxes. In the during walk-through and found two boxes empty. There were only Nuspa tab – 2 nos., Abomine tab – 2 general workers, inspection of the first aid boxes. In the during walk-through and found two boxes empty. There were only Nuspa tab – 2 nos., Abomine tab – 2 general workers, inspection of the first aid boxes. In the during walk-through and found two boxes empty. There were only Nuspa tab – 2 nos., Abomine tab – 2 general workers, inspection of the first aid boxes. In the during walk-through and found two boxes empty. There were only Nuspa tab – 2 nos., Abomine tab – 2 general workers, inspection of the first aid boxes.	Incomplete: First aid boxes were found mostly empty / not sufficiently stocked in many placesr. Even the doctors' room/emergency room is not well stocked with medicine.	COMPLETE and Aug '09 All first-aid equipment has been re-stocked; more training implemented on the upkeep of these items. Concern was brought up of these items being stolen frequently by workers so new practices of securing these items/areas were implemented along with the training on the upkeep and inspection of inventory.
PPE	equipment (such as gloves, eye protection, hearing protection, respiratory protection,	PPE are not provided to the workers (hand gloves- iron section, mask - overlock machine, ear plug - Kanasi special and bartek 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.	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 for PPE by workers on factory ODC toured the factor saw workers using PP Several photos were to and on file.	tour. gloves in iron section, mask for the over-lock personnel in-charge, y and machine and mask and hand gloves to protect thinner hazard). But hand gloves were not used in the ironing interview, floor visit.	Incomplete: PPE was not sufficiently provided for the printing section, Embroidery (subcontract factory) section and Iron section.	COMPLETE Aug '09 - Nov '09 The importance of all PPE devices and the implementation of a plan to ensure that all are used by workers was devised. Inventory on what was needed was done in early November, and by 11/30/09 all PPE missing was passed out to anyone who needed more protection.
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.	The factory Response: The factory has already labeled all chemicals in the local language and English. They have posted MSDS sheets for all chemicals. The factory will send photos of the labeled 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.	The monitoring team found that thinner was appropriately marked and labeled. 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.	Incomplete: Thinner was used inside the floor which needs a separate room with exhaust fan sucking out the air outside. The thinner spray gun was not labeled. Visual observation	COMPLETE Aug '09 We implemented a plan and arranged for immediate construction of the ventilation needed in this storage area. Sep '09 - Oct '09 Inventory was done on all chemicals being used and new labels were placed where necessary. Training was implemented on the procedure for inspecting and correcting any chemical labeling or storage matters.
Chemical Management							New Finding: Chemical in the printing section was not labeled. Visual observation.	COMPLETE Aug '09 We implemented a plan and arranged for immediate construction of the ventilation needed in this storage area. Sep '09 - Oct '09 Inventory was done on all chemicals being used and new labels were placed where necessary. Training was implemented on the procedure for inspecting and correcting any chemical labeling or storage matters.
Machinery Maintenance	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	Eye guard with the overlock and bartek 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.	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.	tour. y and eye guard the worker showed it under the table. E. bartek machine. When the monitor asked about the eye guard the worker showed it under the table. Workers and supervisors did not receive any training location auditor 5/09.	Completed: machine guards and eye guards were found available. Visual observation.	
Machinery Maintenance	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner						New finding: Automatic switch (by hand) for cutting machinees is not functional. They are modified by factory and run by legs. Visual observation and interview with machine operators.	COMPLETE Aug '09 In discussing this with the factory staff, we were told that the workers often remove the switches to allow for faster operation of the machines. We advised that this is an unacceptable practice and implemented a plan to correct all machines that needed to be fixed. Inspections were done and all of the machines were fixed in November '09.
Sanitation in Facilities	All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in complianc with applicable laws	Number of male toilets is sufficient and in keeping with the local law. But the number of female toilets need to be 36 for 900 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 totals 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	The factory did not send remediation items by 11/1/05, asking that it be given to TOW on December visit. 1. We will take action for this and will send you our plans to comply with local law by 11/1/2005. 2. We have taken necessary action for this. We will send all information by 11/1/2005 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 this 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.	and 15 for male workers. Water supply was available group discussion and during the factory tour but washing facility was interview with workers, review sandals but both are often	Completed: Sufficient toilets provided and canteen space was also sufficient observed during lunch hour. Sandal is provided for toilet use.	
Worker Participation	Workers should be involved in planning for safety, including through worker safety committees	No worker safety committee found.	Workers and management interview	accommodate all the workers, and to supply water and washing 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.	11/1/2005 Factory Response: The factory shall create a worker safety committee by 11/1/05. This 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.	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 teammembers 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.	Completed: Fire fighting team has been trained along with first aid team. The photos are posted on each floor. Workers are also familiar with team members.	
Sanitation in Facilities	All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in complianc with applicable laws						New findings: Generator and compressor room are not well maintained. Electric wires were crossing walkways and lying on the floor and overall maintenance is poor. Visual observation Visual observation	COMPLETE Aug '09 Maintenance was done in the Generator Room to ensure that is was safe and working properly. Training was implemented on the importance of upkeep here due to the extreme danger of this area if not kept safe.
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.	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 facility to the employees. We recommend the factory contract with Lift-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 Lift-Standards for the consultancy training by November 1, 2005, see attached information regarding this program.	11/1/2005 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 action to make day care center functional. We shall send information about the daycare 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. The factory is no longer using the facility for uniform storage. Employees are aware other facility exists and is functional, however it is not being used. Outdoor Cap will check at Feb. follow-up audit. CDC to discuss child of issue with factory management at Feb. 0 ODC toured child care which is located in the production facility, no are enrolled in child care which is located in the production facility, no are enrolled in child care which is located in the production facility, no are enrolled in child care which is located in the production facility, no are enrolled in child care which is located in the production facility at this time.	yet to be moved to a different location. interviews, visual Inspection. been cleared but still not in use. Target completion by 11/09.	Incomplete: Childcare facility is not functional and still in the main factory building on 4th floor. The childcare center was found empty without any one responsible (caretaker) for the room. Moreover, one child was found inside the factory building ground floor who was a nephew/orphan of a worker, who works on the 5th floor of the building which is a sister concern of the factory (same owner). With the intervention of the auditor the child was placed in the child care room for the time being.	COMPLETE Immediate discussion of the child-care facility with factory management implemented as soon as the audit findings were given to TOW. A new room was created and equipped for the facility and child-care was resumed formally in November 2009. Certified staff were hired to work in this facility and it is operating now. Photos are uploaded onto the FFC site for review.

FLA Code/ Compliance issue	FLA Benchmark Non-compliance Risk of Non-compliance Evidence of Non-compliance compliance compliance (uncorroborated)	I, Sources/Documentation Nused for corroborating		Time i arty vormoution	rup Third Party Verification Company Verification Follow up mentation Third Party Verification Sources/Documentation used (IEV: June 15-16, 2009) For corroborating (August-November 2009)
Other (Qualification of the	Technical staff (nurse and electrician. in-	Personnel File review	Management or Company The factory shall create a first aid policy immediately. The factory 11/1/2005 & The factory has already created a first The factory sent a copy of their first ODC to discuss with factory	The personnel file maintained by the nurse contains	Completed: Factory maintains Documents review and
Medical Practitioner)	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.		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. 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. Send Top of the World/Outdoor Cap a copy of the first aid policy. The factory will hire a qualified medical practitioner and at least one qualified compounder and nurse as soon as possible. December 15, 2005. The factory did not send evidence of an appointed medical practitioner that is to be one call at all times during factory hours.	job 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 Khulna 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.	complete personnel files for nurse and technical person electrician. Both the files were available and found complete with their certificate.
H&S.8: Permits and certificates			Please send medical certificate and contract of the appointment by		New findings: Environmental certificate was not available for printing section. No ETP was found for the water from the printing section seen to be going through the regular drainage system. Documents review and management interview. NOT COMPLETE Aug '09 A plan to correct the drainage system and obtain the approval via certificate of the local authorities was discussed with the factory management. Oct '09 Pending verification of the corrections necessary to resolve this matter.
Other					Nov '09 - Dec '09 Analysis of the status of the drainage system is being done to determine a final course of action. New finding: Workers found working barefoot. The workers standing in the iron and finishing section were not given floor mat to stand on. New finding: Workers found Visual observation. COMPLETE Aug '09 - Oct '09 Training for workers on use of PPE and other materials such as shoes in a factory environment was implemented. Follow-up monitoring will
					be done to ensure worker compliance is ongoing.
7. Freedom of Association and Collective Bargaining Employers will recognize and respect the right of employees to freedom bargaining Other	A Worker Welfare Committee has been selected during Jan 2005.	Attendance record review and	The factory shall request the WWC to have monthly meetings starting immediately, document the meetings and help to promote 11/15/2005 The WWC is now arranging meetings and help to promote this committee with maternity benefits and financial with factory on revised	The Worker Welfare Committee (WWC) consisted of 17 members. Compliance officer is the Chairman of management and worker on the confirm WWC meeting	Complete: New Workers Participation Committee of 16 Document review and workers Interview and WPC members Nov '09 A new orientation program has
	But the committee is ineffective and	management interview and personnel files reviewed, worker interview and WWC members interview	this committee with the workers. Post photos of the WWC members in all areas of the factory where employee may gather, so the general employees can identify who their WWC committee members are. Send Top of the World/Outdoor Cap meeting notes in the local language and translated into English for the October 2005 meeting and photos of the WWC members posted at the factories by November 15, 2005. The workers. The factory shall send meeting notes for Oct. and photos of the WWC involvement during worker interviews in Dec. 05. The factory shall send meeting notes for Oct. and photos of the WWC involvement during worker interviews in Dec. 05.	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.	members (worker:13 and management:3) has been elected on May 30, 2009. But the new committee needs to made functional with sufficient training on roles and responsibilities. been implemented and all staff will become familiar with the WPC and its responsibilies. We are excited about this committee as it will assist with the continued monitoring of new policies and procedures regarding health, safety and wages/benefits and the new systems being implemented at the factory.
8. Wages and Benefits Employers recognize that wages are essential to meeting employees' be employees, as a base, at least the minimum wage required by local law whichever is higher, and will provide legally mandated benefits Wage Benefits Awareness Employers	or the prevailing industry wage,	worker and	The factory shall immediately start communicating with the 11/1/2005 Factory Response: The factory did not send remediation Meeting notes from	Workers are still not aware of the salary scale and Worker and management Factory conducts periodic	Complete: Workers are aware of Workers interview and review
writing to the worke benefits a	all employees in the language of reference to the wages, incentive systems, and bonuses to which all workers d in that company and under the	worker and management interview and group discussion with workers	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. The factory shall immediately start communicating with the employees in writing and hold an employee meeting to explain the employee meeting to explain the employee meeting to employee meeting and hold an employee meeting to 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.	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 interview, review of payroll sheets and training schedule. Interview, review of payroll sheets and training schedule. Factory Conducts periodic trainingsign in sheets sheets and training schedule.	the wages and benefits, overtime calculation, bonus system. Workers training is conducted on the above issues.
	and reliable payroll reporting, 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. 11/15/2005 Factory Response: 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.	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 Management and worker interview, review payroll sheet in local languagecopies to be sent to TOW 5/09	Incomplete: Payroll is not in local language. Factory maintains two sets of records to handle different buyers. In the first set of records they show only legal working hours with 2 hours overtime /day. But on the second set of records they records all working hour including excessive overtime and Friday work. They pay the workers on actual working hour on second set of records and the payment is
statement earned wa	s will provide workers a pay each pay period, which will show ages, regular and overtime pay, 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 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. The factory Response: The factory did not send remediation litems by 11/1/05, asking that it be payroll system in the local language. Double record keeping is fully stopped now. 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.	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 deductioncopies to be sent to TOW 5/09	Incomplete: Payroll is not yet in local language. Factory informed that srtarting next month they are going to change the payroll into local language with necessary updates. Documents review and management interview. COMPLETE Aug '09 - Oct '09 A plan was implemented to begin using a new payroll system this fall. This new software system will assist with the monitoring of all records and ensure that this is provided accurately in the local language of the workers and management staff.
compensation compensations cards	ted by all employees, regardless of ation system, will be documented by as or other accurate and reliable systems such as electronic swipe systems such as electronic swipe 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 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 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.	Incomplete: Still recorded manually by the supervisor and time keeper. Factory has initiated barcode system but still not functional and expects to make functional from July'09. Documents review and management interview. COMPLETE Aug '09 - Oct '09 A plan was implemented to begin using a new payroll system this fall. This new software system will assist with the monitoring of all records and ensure that this is provided accurately in the local language of the workers and management staff.
	Leave benefit is not practiced properly. Earned leave is not given to workers; festival leave is paid only with the two eid holidays (5+5) days; casual leave is sometimes not paid depending on the superiors; 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	November 15th. 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, 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. November 15th. Eactory Response: 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. They shall immediately start following local law and giving the employees the legally required leaves as stated above policies and 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. The factory has established a log for leave and maternity leave. Factory has provided copies of paperwork, and giving the employees the legally required leaves as stated above for annual leave, festival leave and casual leave. The factory will send a copy of revised worker handbook, Outdoor Cap to check on Feb. 2006 visit.	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	Complete: Factory has a list of Festival holidays on different festive days which is also posted and maintained accordingly. Berefit is given to the workers along with casual, sick and maternity leave.
Legal Compliance for holiday/leave Workers as require	will be paid for holidays and leave and 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. The 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 Response: 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	Incomplete: Work on weekly off days (2 to 3 Fridays/ per month) is conducted and although it is paid as overtime, it results in continuous work up to 20 day without a break. Incomplete: Work on weekly off days (2 to 3 Fridays/ per month) is conducted and although it is paid as overtime, it results in continuous work up to 20 day without a break. Incomplete: Work on weekly off days (2 to 3 Fridays/ per month) interview. Incomplete: Work on weekly off days (2 to 3 Fridays/ per month) interview. Incomplete: Work on weekly off days (9/24/09 More effective production schedule planning was discussed with factory management. TOW was reassured that full attention would be paid to limiting staff hours to within the 60 hours/week limit and Friday as an off-day will be maintained going forward. 11/01/09 - 12/31/09 Follow-up discussion ongoing regarding PO's placed at ***factory*** for TOW headwear orders. Evaluation of work schedule is ongoing and total hours worked per week is decreasing steadily.
payroll red falsely de	s will not use hidden or multiple cords in order to hide overtime, to monstrate hourly wages, or for any dulent reason. Factory maintains hidden or multiple payroll records in order to hide overtime, to falsely 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 hire 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.	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.	Incomplete: Factory maintains two sets of records to handle different buyers. In the first set of records they show only legal working hours with 2 hours overtime /day. But on the second set of records they record all working hour including excessive overtime and Friday work. They pay the workers on actual working hour on second set of records and the payment is accurate. Documents review and management letting them know that this practice is not acceptable to us and that it won't be tolerated going forward. We have been reassured that with the focus the management team is placing on overseeing the production schedule more accurately along with the new payroll system tracking hours worked more effectively, they will be able to control all aspects of the records management system.
compensation worked fo	vees will be credited with all time r an employer for purposes of glength of service to determine the 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 gradation pay scale required by local law by November 15, 2005. The factory Response: The factory submitted records showing the immediate recording of new employee's 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.	Incomplete: Out of 20 daily workers 3 to 4 found working continuously / everyday for the factory. But they were not being regularized. Document review and workers interview. COMPLETE Aug '09 We advised for a new policy to be implemented for these daily workers being given permanent worker status if they were due this assignment. Oct '09 Factory management did verify that they changed the worker status on all eligible workers (3) who qualified for this
Other	Newly joined workers' names and attendance records are 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	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. The 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 by 11/15/2005.	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. With newly recruited workers. On location auditor to confirm all workers are receiving credit for time worked. 5/09	change. Ongoing monitoring of this will ensure compliance going forward. Completed: All the workers (including new workers) time records is maintained properly in the time cards and OT register. Document review and workers interview.
Other	prepare the monthly wages. 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. 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 above for annual leave, festival leave and casual leave. The factory has already started to give sick leave and maternity leave. Factory provided copies of paperwork. The factory has established a log for leave and maternity leave. Factory provided copies of paperwork. In the factory has established a log for leave and maternity leave. Factory provided copies of paperwork. In the factory has established a log for leave and maternity leave. Factory provided copies of paperwork. In the factory has established a log for leave and maternity leave. Factory provided copies of paperwork. In the factory has established a log for leave and maternity leave. Factory provided copies of paperwork. In the factory has established a log for leave and maternity leave. Factory provided copies of paperwork.	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 deductions for approved leave. Worker interviews; review of time records, leave register, workers' personnel files and payroll sheets.	Completed: No deduction is made from the wages in the form of informal punishment. Document review and workers interview.
WBOT 4: Timely payment of wages					New findings: Payment date is not maintained within 7 working days of the next month. Factory could not maintain the payment date for last 6 months. The payment of May 2009 was not paid till June 16, 2009, the 2nd day of the audit. Document review and workers and management interview. Document review and workers and management interview. Aug '09 We discussed the matter of timely payments to all workers with factory management and were reassured that this will not be an issue going forward. Further monitoring of the payroll records will assist us in ensuring that this is the case going forward. The new payroll system being implemented will assist the management team in processing payroll to the workers more accurately.
9. Hours of Work Except in extraordinary business circumstances, employees will (i) not be lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits of allowed by the law of the country of manufacture or, where the laws of sof work, the regular work week in such country plus 12 hours overtime; day off in every seven day period	on regular and overtime hours such country will not limit the hours				
Overtime Limitations Except in circumsta required to 48 hours (b) the liminal allowed by manufaction country with regular with hours over one day of the circumsta required to 48 hours.	extraordinary business nces, employees will (i) not be o work more than the lesser of (a) per week and 12 hours overtime or its on regular and overtime hours of the law of the country of lill not limit the hours of work, the ork week in such country plus 12 rtime; and (ii) be entitled to at least off in every seven day period. An off in every seven day period. An	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 60 hours per week or 56 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 will send 10 employee time cards, attendance records, salary sheets for Cotober by 11/15/05. The factory is trying to follow our local law. The factory will send 10 employee time cards, 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. November 15, 2005. According to the Factories Act, 1965, Sections 51 & 53, where over than 60 hours is allowed to work more than 60 hours is allowed to work more than 60 hours bear of law. The factory will send 10 employee 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.	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 2007and 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 challengeworking with the factory by altering order schedules to alleviate necessity of overtime. On location auditor to review overtime work 5/09	Incomplete: Weekly overtime limit of 60 hours /week is not maintained. Weekly working hour goes up to average 66 hours to maximum 90 hours (including weekly off day work) in April 2009, May2009. But in Janurary 2009 working hour was within legal limit of 60 hours / week. INCOMPLETE 09/24/09 More effective production schedule planning was discussed with factory management. TOW was reassured that full attention would be paid to limiting staff hours to within the 60 hours/week limit and Friday as an off-day will be maintained going forward. 11/01/09 - 12/31/09 Follow-up discussion ongoing regarding PO's placed at ***factory** for TOW headwear orders.
Reduce Mandated OT	period of extra work that could not an anticipated or alleviated by other e efforts No documents found to verify that OT is	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. Send Top of the World/Outdoor Cap a copy of the revised handbook and a sign up sheet from October by November 15, 2005. Sesides this, the factory informs workers every day for their OT. The factory will send a copy of the revised handbook and a 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.	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. TOW 5/09	Evaluation of work schedule is ongoing and total hours worked per week is decreasing steadily. Completed: workers signature in the time cards and OT sheet is maintained. Factory has developed production output tracking system or database to monitor the regular output and reduce the overtime. Evaluation of work schedule is ongoing and total hours worked per week is decreasing steadily. Document review & workers interview and Management interview.

FIAO 1/O III		IEM Findings			Remediation		Updates (Cite Date of Follow up)			Company Verification Follow up	Third Party Verification	Company Verification Follow up
LA Code/ Compliance issue Country Law/Legal Refe	erence FLA Benchmark Non-compliance	Risk of Non-compliance Evidence of Non-compliance (uncorroborated)	If not corroborated, explain why used for corroborating implemented by Factory Management of Company		Target Factory Response (Optional) Completion Date	Company follow up (Cite date of follow up)	Documentation Company Follow up Docume	entation Third Party Verification (IEV: September 12, 2007)	Documentation	Company Follow up Documentation	n Third Party Verification (IEV: June 15-16, 2009) Sources/Documentation use for corroborating	d Company Follow up Documentation (August-November 2009)
rplanation of continued required	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.	DT is	management interview and records review	Employers shall be able to provide explanation for all periods when the extraordinary business circumstances exception habeen used. Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances. The factory shall immediately start documen all overtime hours worked and why. This register shall be ket all times and be available to any inspector as required. Pleas send Top of the World/Outdoor Cap a copy of this register for month of October 2005 by November 15, 2005.	documenting all overtime hours worked and why. The factory will send a copy of this register for October by 11/15/05.	f Outdoor Cap to check on February	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	Incomplete: No reason / explanation recorded for the continued overtime work is maintained.	COMPLETE Aug '09 - Oct '09 Discussion with factory management regarding this issue has unveiled an obvious communication gap between the management team and the factory staff. We are hopeful that the WPC will assist communication on all levels.
ertime 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	DT	management interview and records review	Employers shall be able to provide explanation for all periods when the extraordinary business circumstances exception had been used. Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances. The factory shall immediately start documen all overtime hours worked and why. This register shall be kep all times and be available to any inspector as required. Pleas send Top of the World/Outdoor Cap a copy of this register for month of October 2005 by November 15, 2005.	documenting all overtime hours worked and why. The factory will send a copy of this register for October by 11/15/05.	f Outdoor Cap to check on February	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.	interview and records revi	On location auditor to verify factory maintaining documents regarding explanation for continued required OT 5/09	Incomplete: overtime or excessive overtime is a regular practice for the factory. Workers are not communicated the reason for overtime. Only worker's signature is maintained as proof of consent for doing overtime.	COMPLETE Aug '09 - Oct '09 Discussion with factory management regarding this issue has unveiled an obvious communication gap between the management team and the factory staff. We are hopeful that the WPC will assist communication on all levels.
egal compliance with protected orkers	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 8 pm and sometimes as late as 10 pm.		Records reviewed and worker interview	The factory shall immediately comply with local law and not a women to work past 8pm and not before 7 am. Send Top of World/Outdoor Cap 10 women employee salary records, including timecards, attendance records, and salary sheets f the month of October 2005, by November 15, 2005 as evider this has been corrected.	The factory is trying not to allow women to work past 8pm. The factory will send 10 women's employee salary records,	given to TOW on December visit. TOW found not evidence of women	n iit	Women workers still worked more than the legal limit i.e. later than 8pm and sometimes from 8am till 7am next day.	3	On location auditor to verify women are working no more than legal limit 5/09	Incomplete: Women work after 10 pm, but not separate consent is taken for work after 10 pm. Document review and worke interview.	COMPLETE Aug '09 - Oct '09 Discussion with factory management regarding this issue has unveiled an obvious communication gap between the management team and the factory staff. We are hopeful that the WPC will assist communication on all levels. We have expressed our concern over the scheduling of female workers outside of the accepted hours and have been assured that these practices will no longer be followed.
oluntary OT	Overtime hours worked in excess of code standard will be voluntary No recording system of voluntary over	ime.	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 worke 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.	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	given to TOW on December visit. The factory provided copies of voluntary OT sign up sheets. TOW found no evidence of forced OT	factory files.	Factory maintained a sheet with workers' signatures to document workers' consent for voluntary overtime, but not on a regular basis.	_		Completed: workers signature in the time cards and OT sheet is maintained. Documents review and workers interview.	
D. Overtime Compensation a addition to their compensation for regular hours of wours at such premium rate as is legally required in the here such laws will not exist, at a rate at least equal to	e country of manufacture or, in those countries											
ours 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 sy manual and maintained by supervisor evidence of manipulation of the OT darfloor level management as a punishme mistake in the work	here is a by the	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 simmediately start using time cards for all record of time worker until the thumb reader electronic system is in place and oper 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 month of October 2005, by November 15th.	reader electronic system is in place and operating correctly. The factory will sen 10 time cards for Oct. by 11/15/05.	given to TOW on December visit. The factory has installed and is	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.	•	· I	Completed: Recoding is still manual but no case of deduction identified. Documents review and workers interview.	
T Compensation Awareness	Workers shall be informed about overtime compensation rates, by oral and printed means Workers are not aware of the overtime calculation system.	rate and	Worker interview	The factory shall starting in October 2005, provide a pay statement that will show the employees earned wages, regula overtime pay and hours, any bonuses and all deductions take 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 Nover 15, 2005.	n statement that will show the employee wages, regular and overtime pay and hours, any bonuses and all deductions	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		Workers are aware of their overtime hours and overtime compensation.	Interview with workers; revof workers' hand books, orientation program and schedules.	riew	Completed: Workers are aware about the overtime hours and compensation. Workers interview.	
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 firm workers listed on all attendance records starting from the data hire. Send Top of the World/Outdoor Cap 5 complete sets of 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	The factory now keeps all new employee and fired workers listed on all attendance records starting from the date of hire. The factory shall send 5 complete sets of	given to TOW on December visit. The factory submitted records showing the immediate recording of new employee's attendance, time	factory files.	Records were maintained for the disciplined or migrant workers on a monthly basis.	Review of workers' person files, migrants/terminated/newly recruited workers list, interview with managementand workers.		Completed: Records are maintained for all the new workers and resigned / separated workers.	
her (Workers Group surance)											New finding: Workers group insurance is not renewed (ended on June 6, 2009). The required amount was paid by the factory on June' 16, 2009, the 2nd day of the audit but the certificate is not yet obtained.	COMPLETE June '09 Worker insurance payments were made on June 16, as noted in the audit findings. In discussing this matter with factory management, we expressed our concern over this expiring before the payment on the new term was in effect. Factory management assured TOW that this would not lapse again in the future, and we are hopeful that this is correct. Copies of the new insurance certificates have been uploaded onto the FFC site for verification.