

FLA Audit Profile		Independent External Verification
Country	India	India
Factory name	28033287D	28033287DV
IEM	Bureau Veritas Consumer Product Services	ASK (Association for Stimulating Know-How)
Date(s) in facility	September 6, 8, 2005	October 29-30, 2011
PC(s)	PVH, Ashworth and VF	PVH
Number of workers	1333	1457
Product(s)	T Shirts (Knitted and Woven)	T-shirts (Knitted)
Production processes	Knitting, Dyeing, Printing, Cutting, Sewing, Embroidery, Finishing, Packing, Washing	Cutting, Sewing, Dying, Washing, Knitting, Finishing, Packing

IEM Findings						
FLA Code/Compliance Issue	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources/Documentation Used for Corroborating
1. Code Awareness						
Worker/Management Awareness of Code	FLA Principle of Monitoring, Obligation of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.					
Confidential Noncompliance Reporting Channel	FLA Principle of Monitoring, Obligation of Companies: Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.					
2. Forced Labor						
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.						
3. Child Labor						
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.						

Age Documentation	Employers will maintain proof of age documentation for all workers, such as a birth certificate, which verifies date of birth.	Age proof records were missing in 5 out of 25 files reviewed.				personnel files
4. Harassment or Abuse						
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.						
Progressive Discipline	Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers.	Factory has a documented disciplinary policy; however, no disciplinary actions have been documented. Disciplinary action against workers terminated due to the aftermath of the September 22, 2004 strike was not documented. Per management, disciplinary actions				
5. Nondiscrimination						
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.						
Sex Discrimination	There shall be no differences in compensation and benefits attributable to gender.		Female workers were not employed in the facility. Per management, the non-employment of the female workers is due to cultural and traditional reasons; however, per general auditor information and information gathered from external sources, quite a good number of female workers are working in different factories in the region, in different capacities, mostly as thread cutters/helpers. The factory, in collaboration with ATDC (a unit of AEPC), has started a training program for women from the nearby village.	The factory [Factory name] does not employ female workers in the audited site, citing local culture and tradition as the reasons for it.		Based on the local sources and auditors' general observation, quite a good number of female workers are working in different factories in the region and are mostly involved in processes like thread cutting.

Marital Discrimination	Employers will not prohibit the employment of married women.		Female workers were not employed in the facility. As per management the non employment of the female workers is because of cultural and traditional reason however as per general information of the auditors and information gathered from external sources quite a good number of female workers are working in different factories in the region in different capacities mostly as thread cutters/helpers. The factory in collaboration with ATDC (a unit of AEPC) has started a training program for the woman from nearby village.			
6. Health and Safety						
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities.						
Fire Safety: Health and Safety Legal Compliance	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits.	Operating instructions in local language on/near the fire extinguishers were missing and fire extinguishers were blocked in 2 locations.				visual observation, factory tour
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 drill are conducted once in a period of 3 months.				management interview, document review

Evacuation Procedure						
Evacuation Procedure		Visual emergency warning system like strobe lights are not provided in work places like DG room, knitting room, and embroidery room, where high noise level is produced.				visual observation, factory tour
Evacuation Procedure		Emergency lighting was missing above/near the staircases.				visual observation, factory tour
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.	Protective equipment was missing on some machines.				visual observation, factory tour
Safety Equipment		First aid boxes were inadequately stocked.				visual observation, factory tour

Safety Equipment		Safety instructions/load capacity was not posted near the entrance/gate of the goods lift.				visual observation, factory tour
Personal Protective Equipment (PPE)	Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	Personal protective equipment, like goggles and boots, were not provided to the workers.				visual observation, factory tour, document review
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.	Chemicals were stored without access control, inadequately labeled, and material safety data sheets (MSDS) were inappropriate.				visual observation, factory tour, document review
Worker Participation	Workers should be involved in planning for safety, including through worker safety committees.					
Other		Sitting capacity of the canteen was not adequate and canteen workers are not provided with caps/aprons.				visual observation, factory tour
7. Freedom of Association and Collective Bargaining						
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.						

Right to Freely Associate	Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment.		Documented policy on Freedom of Association and Collective Bargaining was not available in the factory.			interviews, document reviews
8. Wages and Benefits						
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.						
Pay Statement	Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions.					
Time-Recording System	Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards.					
Accurate Recording of Wage Compensation	All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately.	Rounding off for wages was incorrect, as it was made to the nearest multiple of 5 rupees.				management interview, document review
Record Maintenance	All legally required payroll documents, journals and reports will be available complete, accurate and up-to date. (In the United States terms this would include W-4s, I-9s, green cards, 941s and supporting material.	All the workers involved in the September 22, 2004 strike have been terminated; however, no complete full and final record was available in the factory.				management interview, document review
		Wage records for overtime work performed by workers working for 12 hours a day and work performed on weekly days off were not made available to the auditors.				management interview, document review
9. Hours of Work						
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day						

Overtime Limitations	Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	Document review of the production records found that floor workers performed work on weekly days off.				production record review; in and out time records
Overtime Limitations		Document review of production records found that floor workers performed work for 12 hours a day.				production record review; in and out time records
Other		6 workers did not have an attendance card.				factory walkthrough, document review
10. Overtime Compensation						
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.						
Accurate Recording of OT Hours Worked	Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work.	Wage records for overtime work performed by workers working 12 hours a day and work performed on weekly days off are not made available to the auditors.				production record review; in and out time records
OT Compensation	The factory shall comply with applicable law for premium rates for overtime compensation.					
Miscellaneous						

Other (Grievance Redressal)						
Other		Appointment letter was incomplete in 13 files and not available in 3 files out of 25 reviewed.				interview, document review

		Factory will work with factory to ensure the facility has set up the proper policies and procedures to ensure this does not occur again.	ASAP		During visit in July 2006, this was verified as corrected.	review of relevant documentation	Completed		
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		PC will assist factory to establish the training of women for possible positions in the factory.	ASAP		Jul-06	documentation review; worker and management interviews	Completed		

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		PC will work with facility to establish responsible personnel to be in charge of these H&S issues.	ASAP			Jul-06	review of relevant document, factory walkthrough			
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		PC will work with factory to ensure that they set up procedures and policies to ensure all appointment letters are completed.	ASAP		During the audit in July 2006, review of documentation, policies and procedures; this issues has been corrected.	documentation review	Completed		

Third-Party Verification		Company Verification Follow Up		[Status]
External Verification (October 29-30, 2011)	Documentation	Company Follow Up (Cite Date)	Documentation	Completed, Pending, Ongoing
<p>New Finding: All the 42 workers interacted with during the audit had low awareness on company and factory policies as well as on company's code of conduct (COC). PVH's COC has been posted only in canteen and it is in English, while the majority of the workforce speaks only Hindi. Factory management showed copy of the PVH COC available with the factory in Hindi as well. But, during the factory physical inspection, this was not found posted anywhere.</p>	worker interviews	PC is working with the factory to establish a detailed awareness training for all associates. This awareness session will be conducted periodically and will include a portion where workers can ask questions that will signal their understanding of the session, as well as the code. PC is in process of reprinting code of conduct and will send to factory once completed. Estimated date of completion is April 15, 2012.	This issue has been verified and corrected. PC has established periodic training sessions in the facility. Code also has been reprinted in local language with office numbers and emails on the code. PC also has distributed cards to workers with the PC's contact information.	Completed
<p>New Finding: There are no confidential noncompliance reporting channels between the company and the workers.</p>	management interview	PC will work harder with factory and workers to ensure all workers know of the channels to connect with the PC.	PC has conducted trainings at factory at management, supervisor, and worker level to ensure all associates understand the confidential noncompliance reporting system.	Completed

<p>Completed: Random checking of personnel files contains age-proof documents. Factory pays and gets the certificates done from a dental doctor in cases of workers without any age-proof documents.</p>	<p>review of workers' personnel files</p>			
<p>Completed: Factory has written disciplinary policies which have the procedures clearly defined, which requires documentation of all disciplinary actions, including termination. However, no terminatiuons have taken place since the inception of the policies and procedures.</p>	<p>document review, management interview</p>			
<p>Completed: 1) In the IEM report, it was mentioned that, the factory, in collaboration with ATDC (a unit of AEPC) has started a training program for women from the nearby village. However, none of the trained women have joined the facility, even though they had the opportunity. 2) Factory policy on recruitment does not discriminate females from being employed. However, there were no women applicants for the current workforce. 3) Worker interactions revealed that the cultural scenario does not allow women to work in the factories. And, the long distance between the villages and the factory is also one of the reasons for female workers not showing interest in applying for these factories. 4) However, the factory has employed 9 women in the staff category.</p>	<p>verification of company policies, workers' application records</p>			

<p>Completed: 1) In the IEM report, it was mentioned that, the factory, in collaboration with ATDC (a unit of AEPC) has started a training program for women from the nearby village. However, none of the trained women have joined the facility, even though they had the opportunity. 2) Factory policy on recruitment does not discriminate females from being employed. However, there were no women applicants for the current workforce. 3) Worker interactions revealed that the cultural scenario does not allow women to work in the factories. And, the long distance between the villages and the factory is also one of the reasons for female workers not showing interest in applying for these factories. 4) However, the factory has employed 9 women in the staff category.</p>	<p>verification of company policies, workers' application records</p>			
<p>Completed: Operating instructions in local language are posted near all the fire extinguishers.</p>	<p>visual observation</p>			
<p>Completed: As per IEM recommendation, fire drill is conducted once in a period of 2 months.</p>	<p>document review, management interview</p>			

<p>New Finding: The aisles were obstructed in the trial room by wire and pipe in 1 area in the Trail Room in Hall-1.</p>	<p>visual observation</p>	<p>Factory will ensure all H&S matters are corrected and improved on by working with their H&S Committee to establish priorities and procedures. This issue will be verified as improved by the follow-up visit on May 1, 2012.</p>	<p>During the walkthrough, this was verified as complete, and H&S Committee has established and is working towards accomplishing their goals.</p>	<p>Completed</p>
<p>Completed: Emergency lights are provided in all work places</p>	<p>visual observation</p>			
<p>Ongoing: All emergency lights are installed and functional except for 1 light on the first floor of building #1. The emergency light on the first floor of building #1 was discharged in battery and this was identified during the physical verification. The finding reveals that the monitoring system for the maintenance of the emergency evacuation is insufficient.</p>	<p>physical verification. visual observation</p>	<p>Factory will ensure all H&S matters are corrected and improved on by working with their H&S Committee to establish priorities and procedures. This issue will be verified as improved by the follow-up visit on May 1, 2012.</p>	<p>During the walkthrough, this was verified as complete, and H&S Committee has established and is working towards accomplishing their goals.</p>	<p>Completed</p>
<p>Ongoing: Eye Guards are provided. However, in some of the overlock machines, eye guards were not in use due to bobbin attachments for particular products.</p>	<p>physical verification. visual observation</p>	<p>Factory will ensure all H&S matters are corrected and improved on by working with their H&S Committee to establish priorities and procedures. This issue will be verified as improved by the follow-up visit on May 1, 2012.</p>	<p>During the walkthrough, this was verified as complete, and H&S Committee has established and is working towards accomplishing their goals.</p>	<p>Completed</p>
<p>Ongoing: All first aid boxes were adequately stocked, except for 1 first aid box in Hall #1 at the cutting section, which was inadequately stocked.</p>	<p>physical verification. visual observation</p>	<p>Factory will ensure all H&S matters are corrected and improved on by working with their H&S Committee to establish priorities and procedures. This issue will be verified as improved by the follow-up visit on May 1, 2012.</p>	<p>During the walkthrough, this was verified as complete, and H&S Committee has established and is working towards accomplishing their goals.</p>	<p>Completed</p>

Completed: Safety instruction and load capacity is posted at the gate/entrance of the goods lift.	physical verification, visual observation			
Ongoing: PPE postings (to create awareness and the importance of using PPE) are not available. PPE is provided to workers, but some are using it and some are not using the PPE, such as dust masks for the overlock machine operators, and rubber boots and aprons for the workers in the washing department.	physical verification, visual observation	Factory will ensure all H&S matters are corrected and improved on by working with their H&S Committee to establish priorities and procedures. This issue will be verified as improved by the follow-up visit on May 1, 2012.	During the walkthrough, this was verified as complete, and H&S Committee has established and is working towards accomplishing their goals.	Completed
Ongoing: Chemicals were stored with access control and there are workers who are specially trained to look after chemical management in the factory. Appropriate MSDS were posted for reference. However, information regarding Authorized person needs to be posted near the chemical room.	physical verification, interactions with in-charge workers	Factory will ensure all H&S matters are corrected and improved on by working with their H&S Committee to establish priorities and procedures. This issue will be verified as improved by the follow-up visit on May 1, 2012.	During the walkthrough, this was verified as complete, and H&S Committee has established and is working towards accomplishing their goals.	Completed
New Finding: Although the records revealed that the H&S Committee members were elected by workers, and the committee members conduct regular meetings, none of the workers interviewed were aware of the committee, neither do they know who the worker representatives in the H&S Committee are.	worker interaction	Factory will conduct periodic meetings for all workers to ensure their awareness of the committee and their responsibilities and priorities. This issue will be verified as improved by the follow up visit on May 1, 2012.	During the walkthrough and interviews with workers, this was verified to be completed.	Completed
Completed: 1) Adequate seating arrangements were made for workers. A new canteen building was constructed to meet the existing needs. Presently, at a time, 500 workers can be seated in canteen. Workers are divided into batches, and each batch is given separate lunch timings, which avoids the space-related problems for workers' seating. 2) Canteen workers are using caps and aprons.	management interview, visual observation			

<p>Completed: Policy on Freedom of Association and Collective Bargaining is in place.</p>	<p>document review, management interview</p>			
<p>Completed: Payment slips are provided to workers in local language with clear mention about their working hours and earned wage calculations.</p>				
<p>Completed: Factory maintains accurate and complete time records for all the workers in the factory.</p>				
<p>Completed: It has been corrected and the wages are being rounded off appropriately.</p>	<p>salary register, payslip verification, management interview</p>			
<p>Completed: Full and final payment/settlement of the left workers are complete and payments are made appropriately.</p>				
<p>Completed: Records are completed and maintained appropriately.</p>				

<p>Completed: Workers were give weekly days off. Also, OT hours are around a maximum of 75 hours per quarter per worker. Factory has obtained a legal exemption for working 75 hours of OT in a quarter.</p>	<p>management interview, document review</p>			
<p>Completed: Review of time records indicated that the workers work 8 regular hours, and 2 overtime hours per day.</p>	<p>document review; management and worker interviews</p>			
<p>Completed: All the workers are provided with attendance cards.</p>				
<p>Completed: Payroll records revealed that there are no workers working for 12 hours a day. There is maximum of 2 hours OT for a worker and workers are compensated at a rate of 200% for OT.</p>	<p>payroll review, worker interviews</p>			
<p>Completed: Workers are being paid 200% for their overtime work.</p>	<p>document review, management interaction</p>			

<p>New Finding: The only available channel for grievances is the suggestion boxes. The boxes are checked by the General Manager every 2 weeks. However, there is no documentation to suggest that the grievances are dealt with, and the actions taken are communicated to workers (feedback mechanism). There is a Workers' Committee, but workers are not aware of the committee. There are no comprehensive grievance mechanisms that first allow an attempt to settle grievances directly between the worker and the immediate supervisor, but that, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance (according to the FLA Compliance Benchmark FOA 26).</p>		<p>Factory will work with all workers to ensure that they have knowledge of the Workers' Committee. Factory will also provide training to all workers on the grievance mechanism, how it works, how feedback is communicated back to the workers, etc. This improvement will be verified at the follow-up visit on May 1, 2012.</p>	<p>During the follow-up visit, this issue was verified completed through worker interviews and review of appropriate documentation.</p>	<p>Completed</p>
<p>Completed: Signatures on receipt of appointment letter started since September 2011. Workers who have joined after September 2011 shared that they have received a copy of the appointment letter in the local language. 1 of the workers during off-site interviews also showed the copy.</p>				