



2008

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: Antigua Group
COUNTRY: Pakistan
FACTORY CODE: 670057962G
MONITOR: T-Group Solutions Pvt Ltd
AUDIT DATE: November 19-20, 2008
PRODUCTS: Knit T-Shirts
PROCESSES: Cutting to Packing
NUMBER OF WORKERS: 381

FLA Comment: In situations where a FLA-affiliated Company is no longer sourcing from a factory that has received an Independent External Monitoring visit, the company shall submit information on (a) the reason for exiting; (b) the status of compliance and summary of efforts to remediate noncompliances in the factory and (c) plans to follow up on critical issues. The FLA-affiliated Company in this case has submitted the following information, which has not been verified by the FLA:

Antigua has made the decision to exit our relationship with [factory name] through our designated agent [agent name]. As required by the IEM procedures, this message serves as notification of our intent. The criteria and subsequent remaining actions are listed as follows:

- 1) Reasons for exiting: Due to ongoing political unrest and growing security concerns we are exiting the origin entirely. As a result of security concerns, many other brands have exited the origin as well. The resulting decline in the industry has created the potential for severe losses in production and quality as well as compliance, due to decreased financial stability throughout the associated supply chains within the Pakistan garment industry.*
- 2) Status of Compliance: As of this date, the audit has been reviewed, initial clarification of findings has been made by the auditor and results have been communicated to our sourcing agent. Posting of CAP is pending a formal review with our sourcing agent on July 15th. At that time it is our intention to confirm the capability of the factory to implement the CAP, as well as access the overall stability of the factory.*
- 3) Post exit plans: As a result of July 15th review, plans will be drawn up to secure as much remediation as is possible.*

For an explanation on how to read this report, please visit the FLA website [here](#).



CONTENTS:

Wages, Benefits and Overtime Compensation: Holidays, Leave, Legal Wages, Benefits and Bonuses	3
Wages, Benefits and Overtime Compensation: Accurate Length of Service Calculation	5
Wages, Benefits and Overtime Compensation: Minimum Wage	6
Wages, Benefits and Overtime Compensation: Timely Payment of Wages	7
Wages, Benefits and Overtime Compensation: Premium/Overtime Compensation	8
Wages, Benefits and Overtime Compensation: Voluntary Wage Deductions	9
Wages, Benefits and Overtime Compensation: Accurate Calculation and Recording of Wage Compensation	10
Wages, Benefits and Overtime Compensation: False Payroll Records	11
Wages, Benefits and Overtime Compensation: Payroll Record Maintenance/Worker Acknowledgement	12
Wages, Benefits and Overtime Compensation: Record Maintenance	13
Wages, Benefits and Overtime Compensation: Worker Wage Awareness	14
Wages, Benefits and Overtime Compensation: Pay Statement	15
Forced Labor: Employment Records	16
Harassment or Abuse:	17
Code Awareness:	18
Code Awareness:	19
Code Awareness:	20
Health and Safety: General Compliance Health and Safety	21
Health and Safety: Evacuation Requirements and Procedure	22
Health and Safety: Safety Equipment and First Aid Training	23
Health and Safety: Personal Protective Equipment	24
Health and Safety: Chemical Management and Training	25
Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance	26
Health and Safety: Machinery Maintenance and Worker Training	27
Health and Safety: Bodily Strain	28
Health and Safety: Sanitation in Factory Facilities	29
Health and Safety: Food Preparation	30
Hours of Work: General Compliance Hours of Work	31
Hours of Work: Rest Day	32
Hours of Work: Protected Workers (Women and Young Workers)	33
Hours of Work: Time Recording System	34
Hours of Work: Extraordinary Business Circumstance/Forced Labor	35
Hours of Work: Annual Leave	36
Hours of Work: Sick Leave	37
Hours of Work:	38

Wages, Benefits and Overtime Compensation: Holidays, Leave, Legal Wages, Benefits and Bonuses

WBOT.5 Employers shall provide all legally mandated holidays, leave, benefits and bonuses, such as official holidays, annual leave, sick leave, severance payments and 13th month payments, to all eligible workers within legally defined time periods. In addition, all leave and bonuses shall be calculated correctly. (S)

Noncompliance

Explanation: Factory is deducting a provident fund @6.25% of basic salary from each employee's salary on a monthly basis; as stated by the management, factory also contributes an equivalent amount.

1. Provident Fund is not registered with Income Tax Commissioner.
2. No bank account maintained for the Provident Fund and no statement/bank letter found available.
3. The following documents regarding the Provident Fund (PF) were not found available:
a) PF establishment deed, b) PF rules of business, c) list of trustees, d) meeting minutes, e) PF account audit report, f) nomination forms, g) copies of cheques as evidence of PF payment to terminated employees, h) audit report of PF accounts and i) individual employee PF account records.

(The above are required under Provident Fund Act, 1925, and rules made there under.)

Other applicable laws include:

1. As stated by the management, the factory does not allow 14 consecutive days of annual leave for workers. This does not comply with the requirement of Factories Act, 1934; Section 49-B.
2. As stated by the management, the factory allows 8 days sick leave whereas Factories Act, 1934; Section 49-H requires 16 days of sick leave to be provided to all workers.
3. As stated by the management, during their probation period, workers are not provided with casual or sick leave as required per Factories Act, 1934; Section 49.
4. As stated by the management, factory never paid annual bonuses to its workers. This does not comply with "West Pakistan Industrial and Commercial Employment Standing Order (Ordinance) 1969, Section 10-C (2) A and B."
5. Factory had not established Worker Profit Participation Fund as required under Companies Profit (Worker's Participation) Act, 1968; Section 3.

6. Factory does not contribute to provincial Worker Welfare Fund as required under Worker Welfare Fund Ordinance, 1971, Sections 3 and 4.
7. Factory is not paying monthly contributions towards social security for piece rated contract workers and outsourced housekeeping workers to the concerned provincial government Social Security Department, whereas Provincial Employees Social Security Ordinance, 1965 requires social security insurance for all workers.
8. Factory is not paying monthly contributions towards Employee Old Age Pension (EOBI) for piece rated contract workers and outsourced housekeeping workers to the concerned provincial government Old Age Benefit Department, whereas Employee Old Age Benefit Act, 1976 requires old age pension insurance for all workers.
9. Factory is paying Social Security and Employee Old Age contributions for permanent salaried workers; yet workers can not avail benefit from Social Security and Old Age without Social Security card and EOBI card (issued separately by both government departments). Only 1 worker has a Social Security card out of 223 insured workers.
10. List of New Entrants and List of Terminates for group insurance were not found updated. Group insurance policy document requires the factory to tell the insurance company when any worker in the factory achieves permanent employee status and should be insured under group insurance and/or any employee is terminated or resigned from service. This communication will enable the insurance company to update the status of the insured person so they remain eligible for insurance benefits.
11. Group Insurance: Due to non-availability of corresponding documents, it could not be verified if workers are insured for “Fortnight Income Benefit” as required by Workman Compensation Act, 1923; Schedule IV Column 4.
12. No documentary evidence was provided to verify if the outsourced housekeeping workers were covered under the group insurance scheme after they complete one year of service. This is a requirement under West Pakistan Industrial and Commercial Employment Standing Orders (Ordinance) 1969, Section 10 A.
13. Factory has never paid the balance of annual leave as “Annual Leave Encashment” to any worker, as required by Factories Act, 1934; Section 49-B (3).

**Plan Of
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Date:**

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Wages, Benefits and Overtime Compensation: Accurate Length of Service Calculation

WBOT.18 All workers shall be credited with all time worked for an employer for purposes of calculating length of service to determine the benefits to which workers are entitled. (S)

Noncompliance

Explanation: As stated by management, factory established a Provident Fund in July 2006. Review of terminal dues payment records revealed that a worker (Code 343) joined November 9, 2005 and their date of termination was November 10, 2008. Factory did not pay gratuity for the duration of November 9, 2005 to June 30, 2006. Factory only paid PF amount (employee contribution plus factory contribution without any interest) from June 1, 2006 to November 10, 2008. Law requires that the employer shall pay gratuity for the service period when PF was not established.

(West Pakistan Industrial and Commercial Employment Standing Order (Ordinance) 1969, Section 12)

Plan Of
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Date:

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**Plan
Complete
Date:**

Wages, Benefits and Overtime Compensation: Minimum Wage

WBOT.2 Employers shall pay workers at least the legal minimum wage or the prevailing industry wage, whichever is higher. (S)

Noncompliance

Explanation: A. Minimum wages are not being paid as per skill levels, as notified by local minimum wage board (The Punjab Gazette (Extraordinary) September 01, 2008). For example:

- 1) Packers are being paid Rs. 6000 (unskilled wage) against Rs. 6320 as notified;
- 2) Helpers are being paid Rs. 6000 (unskilled wage) against Rs. 6320 as notified for Helper Tailor and Rs. 6200 for Helper not elsewhere classified;
- 3) Electricians are paid Rs. 6000 (unskilled wage) whereas notification states Rs. 6760;
- 4) Quality Inspectors are being paid Rs. 6300 whereas notification states Rs. 6900;
- 5) Rowing Inspectors are being paid Rs. 6300 whereas notification states Rs. 6900;
- 6) Stain men are being paid Rs. 6000 whereas notification states Rs. 6600;
- 7) Gardeners are being paid Rs. 6000 whereas notification states Rs. 6200.

B. Wages earned by piece rate workers are less than the minimum daily wages as notified by the provincial wage board. For example:

STITCHERS [worker code number] Period Daily Average Wages Earned/Notified:

September 16, 2008 to October 16, 2008 Rs: 246 Rs: 260

September 16, 2008 to October 15, 2008 Rs: 236 Rs: 260

September 16, 2008 to October 15, 2008 Rs: 99 Rs: 260

These workers attended a full 8 hours in a working day.



**Plan Of
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**Deadline
Date:**

**Action
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**Plan
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**Plan
Complete
Date:**

Wages, Benefits and Overtime Compensation: Timely Payment of Wages

WBOT.4 All wages, including overtime compensation shall be paid within legally defined time limits. When no time limits are defined by law, compensation shall be paid at least once a month. (S)

Noncompliance

Explanation: Policy for compensation and benefits defines the frequency for payment of wages between the 7th and 10th day of each month. Payment of Wages Act, 1936, Section 5 (1 a), requires salary (if less than 1,000 persons are employed) shall be paid to the worker before the expiry of the 7th day. Total employees of factory are 300. As stated by the HR manager, wages for the month of October 2008 were paid on the 8th or 9th day of November 2008. This was confirmed by workers interviewed.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**



**Plan
Complete:**

**Plan
Complete
Date:**

Wages, Benefits and Overtime Compensation: Premium/Overtime Compensation

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

Noncompliance

- Explanation:** 1. Total overtime hours worked in October 2008 and total wages received, as stated by the workers interviewed, did not match the hours and payments reflected on the pay records produced for review. Based on the amount received toward overtime compensation, it appears that overtime hours worked are being compensated at 1x the wage rate instead of 2x, as required by Factories Act 1934, Section 47. In the absence of complete pay records, this could not be further verified.
2. Compensatory holiday with pay for working on a weekly rest day is not being provided to workers; e.g., electricians (code # 1466, 351) worked on weekly holidays (Sundays October 26, 2008 and November 16, 2008) but time/leave records pertaining to these electricians do not reflect any compensatory leave provided as required by Factories Act, 1934; Section 35-A.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**

Wages, Benefits and Overtime Compensation: Voluntary Wage Deductions

FLA WBOT.13. All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc. The employer shall not hold over any of these funds from one pay period to the other unless the law specifies that deposits are to be made less frequently than pay periods (e.g., monthly deposits, weekly pay). If the law does not specify, then deposits shall be made before the next pay period in all cases.

Fail

Explanation: A. Factory is deducting a provident fund @6.25% of basic salary from employees' salaries on a monthly basis; as stated by the management, factory also contributes an equivalent amount.

1. Provident Fund (PF) is not registered with Income Tax Commissioner.
2. No bank account is maintained for PF and no statement/bank letter found available.
3. The following documents regarding PF not found available: a) PF establishment deed, b) PF rules of business, c) list of trustees, d) meeting minutes, e) PF account audit report, f) nomination forms, g) copies of cheques as evidence of payment of PF amount to terminated employees, h) audit report of PF accounts and i) individual employee PF account records.

(The above are required under the Provident Fund Act, 1925, and the rules made there under.)

**Plan Of
Action:**

**Deadline
Date:**



**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**

Wages, Benefits and Overtime Compensation: Accurate Calculation and Recording of Wage Compensation

WBOT.17 All payments to workers, including hourly wages, piecework, benefits, bonuses, and other incentives shall be calculated and recorded accurately. (S)

Noncompliance

Explanation: Attendance record does not match actual production records of piece rated stitcher workers. For example, (1) Piece rated worker (stitcher) code [worker code number]: Attendance record reflects that he was absent on August 30, 2008 (Saturday), whereas production record reflects that he was at work and had stitched 337 pieces of garments for work order # [work order number]. (2) Stitcher code [worker code number]: Attendance record reflects that he was present on July 31, 2008; August 1, 2008 and August 2, 2008; but production records reflect he was absent on said dates. Total overtime hours worked in October 2008, as stated by workers, did not match hours reflected on the pay records produced for review. In some cases, workers stated they had worked 40 to 45 hours of overtime that month, however, only 11 to 12 hours are reflected on the wage records produced for review.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**



**Plan
Complete:**

**Plan
Complete
Date:**

Wages, Benefits and Overtime Compensation: False Payroll Records

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

Noncompliance

Explanation: Total overtime hours worked in October 2008, as stated by workers, did not match hours reflected on the pay records produced for review. In some cases, workers stated they had worked 40 to 45 hours of overtime that month, however, only 11 to 12 hours are reflected on the wage records produced for review.

**Plan Of
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**Deadline
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Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**



Wages, Benefits and Overtime Compensation: Payroll Record Maintenance/Worker Acknowledgement

WBOT.20 All compensation records shall be maintained accurately and shall be acknowledged by the worker as accurate. (P)

Noncompliance

Explanation: Total overtime hours worked in October 2008, as stated by workers, did not match hours reflected on the pay records produced for review. In some cases, workers stated they had worked 40 to 45 hours of overtime that month, however, only 11 to 12 hours are reflected on the wage records produced for review.

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Deadline Date:

Action Taken:

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Plan Complete Date:



Wages, Benefits and Overtime Compensation: Record Maintenance

WBOT.21 Employers shall ensure that all legally required payroll documents, journals and reports are available, complete, accurate and up-to-date. (P)

Noncompliance

Explanation: 1. Total overtime hours worked in October 2008 and total wages received, as stated by workers interviewed, did not match hours and payments reflected on the pay records produced for review. Based on the amount received toward overtime compensation, it appears that overtime hours worked are being compensated at 1x the wage rate instead of 2x, as required by Factories Act 1934, Section 47. In the absence of complete pay records, this could not be further verified.

2. Compensatory holiday with pay for working on a weekly rest day, is not being provided to workers, e.g., electricians [2 workers' code numbers] worked on weekly holidays (Sundays October 26, 2008 and November 16, 2008) but time/leave records pertaining to these electricians do not reflect any compensatory leave provided as required by Factories Act, 1934; Section 35-A.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**



Wages, Benefits and Overtime Compensation: Worker Wage Awareness

WBOT.22 Employers shall make every reasonable effort to ensure workers understand the wages, including the calculation of wages, incentives systems, benefits and bonuses they are entitled to in a factory and under applicable laws. To this end, employers shall communicate orally and in writing to all workers all relevant information in the local language or language(s) spoken by the workers, if different from the local language. (P)

Noncompliance

Explanation: None of the workers interviewed were aware of all the benefits they are entitled to. Payment of Wages Rules, 1960, Rule 8: Paymaster shall display in a conspicuous place at or near the main entrance of the factory . . . the day on which wages are paid. No such notice found displayed in factory.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**

Wages, Benefits and Overtime Compensation: Pay Statement

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

Noncompliance

Explanation: [Factory does not issue wage slips for piece rate workers whereas West Pakistan Minimum Wages Rules, 1962; Section 19\(2\) requires issuance of wage slips to all workers.](#)

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**

Forced Labor: Employment Records

F.9 Employers shall maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision. (P)

Noncompliance

Explanation: Employment Contracts not found issued to either piece rated contract workers or permanent employees, whereas West Pakistan Industrial and Commercial Employment Standing Order (Ordinance) 1969, Schedule Standing Order, Section 2-A requires that employment terms and conditions shall be provided to employees in writing. Worker "Nomination Form" for group insurance was not found maintained.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**

Harassment or Abuse:

Other

Noncompliance

Explanation: [Policy on Harassment and Abuse is not posted.](#)

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**



Code Awareness:

GEN.1 Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.

Noncompliance

Explanation: [Factory has not received code poster from Antigua.](#)

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**

Code Awareness:

GEN.2 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.

Noncompliance

Explanation: [Factory has not received code poster from Antigua. No trainings conducted.](#)

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**



Code Awareness:

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

Noncompliance

Explanation: [No system in place.](#)

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**

Health and Safety: General Compliance Health and Safety

H&S.1 Employers shall comply with all local laws, regulations and procedures concerning health and safety. (S)

Noncompliance

- Explanation:**
1. Lime-washing, painting or varnishing records not found maintained by the factory, as required by Punjab Factories Rules, 1978, Rule 17 and 45 Form "F."
 2. Particular rooms not found maintained by the factory, as required by Factories Act, 1934; Section 18 and Punjab Factories Rules, 1978, Rule 38, Form "I."
 3. Building Stability Certificate not found available as required by Punjab Factories Rules, 1978, Rule 95(1), Form "K."
 4. Boiler inspection certificate not found available for steam generation plant in press department, which comes under definition of boiler. Boiler Inspector (government department) shall inspect and certify boiler as required by Boiler and Pressure Vessels Ordinance, 2002.
 5. As required by Environmental Pollution Act, 1997, the factory shall conduct self-monitoring of effluents and emissions. No such report found available.
 6. Drinking Water Analysis Report Ref. LES/AF/08/1465, dated June 11, 2008: Analysis results for CATIONS (antimony, arsenic, lead, mercury, nickel, etc.), ANIONS (chloride, sulfate, etc.) and OTHERS (pesticides, tetrachloroethane, etc.) not found reported as required by WHO Drinking Water Standards.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**

Health and Safety: Evacuation Requirements and Procedure

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

Noncompliance

- Explanation:**
1. A few aisles in the cutting section were blocked with fabric bundles.
 2. Cutting section has only 1 exit.
 3. Emergency lights installed are domestic-type tube lights. These may not penetrate smoke in case of fire. Also, they do not illuminate the evacuation paths.
 4. Rear aisle in the cutting section is very narrow and workers standing in this area cannot evacuate easily.
 5. Fabric bundles seen stored in rear aisles and evacuation routes in cutting section.
 6. Electric cable connecting cutting machine with the mains was seen lying close to the operator's feet; this could hamper easy evacuation and cause injury during evacuation.
 7. Work stations in trimming section where female workers were working are congested.
 8. Access to passage for some sewing operators was blocked with a cut panel bundle.
 9. Large quantity of empty cartons and waste fabric bundles seen stored against the rear end of the factory wall. A few containers containing oil used in boilers were also seen stored here. Smoked cigarette butts and burnt matchsticks seen near these waste fabric bundles.
 10. Though factory has a designated smoking area behind the security guard cabin, a few workers were seen smoking on the passage way adjacent to the sewing section.

**Plan Of
Action:**

Deadline

Date:

Action

Taken:

Plan

Complete:

Plan

Complete

Date:

Health and Safety: Safety Equipment and First Aid Training

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

Noncompliance

Explanation: Contents of the first aid kit (item-wise and quantity) do not meet the requirements of contents for first aid kit as specified by Punjab Factories Rules, 1978, Rule 96(1), Appendix-1, Part-C.

Plan Of

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Deadline

Date:

Action

Taken:

Plan

Complete:

**Plan
Complete
Date:**

Health and Safety: Personal Protective Equipment

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

Noncompliance

Explanation: Cutting machine operator was not using a respiratory mask to prevent him from breathing in fabric dust. Fly off from cut fabric was seen on his clothes and on the cutting table. Floating fabric dust was noticed in the sewing sections. Operators were not provided with respiratory masks to prevent them from breathing in dust. Most of the eye shields on the overlock machines were not being used. These were seen tied up out of position, using either with string or a rubber band.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**

Health and Safety: Chemical Management and Training

H&S.13 All chemicals and hazardous substances shall be properly labeled and stored in accordance with applicable laws. Labels shall be placed in the local language and the language(s) spoken by workers, if different from the local language. Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances. (S)

Noncompliance

- Explanation:**
1. Barrels containing oil and chemicals were seen stored along with waste material behind the factory building. This area is easily accessible to all employees.
 2. Large quantity of empty cartons and waste fabric bundles were seen stored against factory wall at the rear end. A few containers containing oil used in boilers are also seen stored here. Smoked cigarette butts and burnt matchsticks were seen near these waste fabric bundles.
 3. Chemical containers are not marked.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**



Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

Noncompliance

Explanation: Lighting levels recorded in work stations were: 282-308 lux in cutting section, 324 in packing section, 247 lux in fine (machine) trimming stations, 199 lux on buttoning machines, 320 lux on overlock machines and 133-262 lux at needle points on sewing machines. Lint was seen on electrical installations.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**

Health and Safety: Machinery Maintenance and Worker Training

H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly guarded. Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use. Employers shall ensure safety instructions are either displayed/posted near all machinery or are readily accessible to the workers. (S)

Noncompliance

- Explanation:**
1. Needle guards are tampered on all sewing machines; they were also missing on a few.
 2. Pedal mats were missing on a few machines. A few workers were seen operating these with machines barefoot. This could cause injury due to electric shock.
 3. Finger guard was missing on the snap button machine.
 4. Under motor pulley guards are missing from some sewing and overlock machines.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**



Health and Safety: Bodily Strain

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

Noncompliance

Explanation: While workers with sitting jobs are provided with hard wooden stools, those with standing jobs are standing on hard surfaces. While a few female workers were seen wearing hard-soled high heel footwear, a few workers were seen working barefoot.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**

Health and Safety: Sanitation in Factory Facilities

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

Noncompliance

Explanation: Doors in the toilets are corroded; cloth towels are provided in the toilets. Workers interviewed stated that most often they do not use these towels, as they remain wet due to constant use by most workers.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**

Health and Safety: Food Preparation

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

Noncompliance

Explanation: Canteen facility has not been provided as required by West Pakistan Factory Canteen Rules, 1959. Management stated that work is in process on the installation of a canteen. No tables or chairs are provided on the terrace where workers have lunch; instead they sit on the floor.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**



Hours of Work: General Compliance Hours of Work

HOW.1 Employers shall comply with all local laws, regulations and procedures concerning hours of work, public holidays and leave. (S)

Noncompliance

Explanation: [Working hours/shift timings/breaks not displayed on the main entrance of the factory.](#)

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:**

**Plan
Complete
Date:**



Hours of Work: Rest Day

HOW.2 Workers shall be entitled to at least one day off in every seven-day period. If workers must work on a rest day, an alternative day off must be provided within that same seven-day period or immediately following the seven-day period. (P)

Noncompliance

Explanation: Attendance records for mechanics/electricians reflect rest days on October 26, 2008 and November 16, 2008, whereas “Daily Mechanic Performance Report” in the workshop reflects that electricians’ [workers’ code numbers] had worked on October 26, 2008 and November 16, 2008. Moreover, as per “Daily Garment Receipt Note” (a record of pieces stitched by piece rated workers) of Sunday, November 2, 2008 (Sunday is a rest day), a worker, [worker name] [worker code number] in Stitching Hall # 3 had worked on November 2, 2008, whereas his time record reflects that he was on a day off that week. Review of outward gate pass #s [4 gate pass numbers] dated Sunday, October 12, 2008 (Sunday is a rest day), gate passes [gate pass numbers] dated Sunday, November 2, 2008 and gate passes [gate pass numbers] dated Sunday, November 9, 2008 reveal that the store staff were present on the dates mentioned above. However, there are no entries in corresponding time records.

**Plan Of
Action:**

**Deadline
Date:**

Action Taken:

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Complete:**

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Hours of Work: Protected Workers (Women and Young Workers)

HOW.4 The factory shall comply with all applicable laws governing work hours regulating or limiting the nature, frequency and volume of work performed by women or workers under the age of 18. (S)

Noncompliance

Explanation: Female workers stated that at times they have worked till 11 pm. This does not comply with legal requirements.

**Plan Of
Action:**

**Deadline
Date:**

**Action
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**Plan
Complete:**

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Complete
Date:**



Hours of Work: Time Recording System

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

Noncompliance

Explanation: Total overtime hours worked in October 2008, as stated by workers, did not match hours reflected on the pay records produced for review. In some cases, the workers stated they had worked 40 to 45 hours of overtime that month, for which they were compensated; however, only 11 to 12 hours are reflected on the wage records produced for review. It appears that a second set of time records is being maintained that records actual overtime hours worked and work done on rest days. This set was not produced for review. Attendance record does not match actual production record for piece rated stitcher workers.

For example: (1) Piece rated worker (stitcher) [worker code number] attendance record reflects that he was absent on August 30, 2008 (Saturday) whereas the production record reflects he was at work and had stitched 337 pieces of garments for work order [work order number]. (2) Stitcher code [worker code number] attendance record reflects he was present on July 31, 2008; August 1, 2008 and August 2, 2008 but the production record reflects that he was absent on said dates.

Attendance records for mechanics/electricians reflect rest days on October 26, 2008 and November 16, 2008; whereas "Daily Mechanic Performance Report" in the workshop reflects that electricians' code # [code number] and [code number] had worked on October 26, 2008 and November 16, 2008. Moreover, as per "Daily Garment Receipt Note" (a record of pieces stitched by piece rate workers) of November 2, 2008 (Sunday is a rest day), a worker [worker name] [worker code number] in Stitching Hall #3 had worked on November 2, 2008, whereas his time record reflects that he was on a day off on that week. Review of outward gate pass #s [gate pass number], [gate pass number], [gate pass number], [gate pass number] dated October 12, 2008 (Sunday is a rest day), gate passes #s [gate pass number] dated Sunday, November 2, 2008 and gate passes # [gate pass number] dated Sunday, November 9, 2008 reveal that the store staff were present on the dates mentioned above. However, there are no entries in corresponding time records. Workers do not swipe their cards when they work on rest days.

**Plan Of
Action:**

Deadline

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Action

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Date:

Hours of Work: Extraordinary Business Circumstance/Forced Labor

HOW.11 In case of extraordinary business circumstances, employers shall make reasonable efforts to secure voluntary overtime work prior to mandating involuntary overtime. Employers must get workers voluntary consent periodically for all overtime that is above the 12 hours as provided for in the Code and that is not due to extraordinary business circumstances. (P)

Noncompliance

Explanation: [Factory does not have any documented system to ensure that overtime is voluntary.](#)

Plan Of

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Date:

Hours of Work: Annual Leave

HOW.14 Employers shall provide workers with paid annual leave as required under local laws, regulations and procedures. (S)

Noncompliance

Explanation: As stated by the management, factory does not allow 14 consecutive days of Annual Leave for workers. This does not comply with requirement of Factories Act, 1934; Section 49-B. Factory has never paid balance of Annual Leave as “Annual Leave Encashment” to any worker, as required by Factories Act, 1934; Section 49-B (3).

**Plan Of
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Hours of Work: Sick Leave

HOW.19 Employers shall provide workers with sick leave as required under local laws, regulations and procedures. (S)

Noncompliance

Explanation: As stated by the management, the factory allows 8 days sick leave whereas Factories Act, 1934; Section 49-H requires 16 days of sick leave to be provided to all workers. As stated by the management, during their probation period, workers are not provided with casual or sick leave. As per Factories Act, 1934; Section 49 every worker shall be entitled to sick and casual leave.

**Plan Of
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**Deadline
Date:**

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Date:**

Hours of Work:

Other

Noncompliance

Explanation: Though time records for security guards were reviewed, actual working hours could not be verified, though they stated they work for 8 hour shifts. Corresponding records for “Security Guard Duty Register” and/or “Charge Handover/Takeover Register” and/or “Security Log Book,” etc., were not available for review. Factory had hired [security company name] to provide security services. Review of the contract between the security company and the factory reveals that the agreed working hours for Lady Searcher and Armed Guard are 12 hours per day.

**Plan Of
Action:**

**Deadline
Date:**

**Action
Taken:**

**Plan
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Date:**
