



2009

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: MJ Soffe Co.
COUNTRY: Jordan
FACTORY CODE: 460039453H
MONITOR: Level Works
AUDIT DATE: December 19-20, 2009
PRODUCTS: Knitted Items
PROCESSES: Cutting, Sewing, Finishing,
Warehouse
NUMBER OF WORKERS: 559

Company Comment:

M.J. Soffe LLC issued a limited number of orders with this factory in early 2009. As soon as the factory finished with the manufacture of these specific orders, it was understood by the factory that M.J. Soffe planned to exit. The orders were completed and final shipment to Soffe was executed on September 24, 2009. It was at this time that we exited the factory. Even though Soffe is out of this factory, we have remained in touch with management as well as have our Agents. Almost all of the outstanding findings have been reported completed and will be verified by the Agent later this year. Soffe will continue to discuss the Hours of Work situation with the factory. A designated person has been named compliance manager and is now responsible for complaints issue by their employees. The compliance manager will investigate thoroughly any complaints and will bring the results of any complaint to the attention of the Executive Management Team. A local email address and telephone number have been posted by the factory for employees to use. Although Soffe is no longer active in this factory, we plan to monitor the situation at the factory at least every six months to insure the employees are being treated with respect and dignity and that the factory has not withdrawn any of their agreements.

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



CONTENTS:

Wages, Benefits and Overtime Compensation: Holidays, Leave, Legal Benefits and Bonuses _____	3
Wages, Benefits and Overtime Compensation: Employer Provided Services _____	4
Wages, Benefits and Overtime Compensation: Worker Wage Awareness _____	5
Forced Labor: Personal Worker Identification and Other Documents _____	5
Harassment or Abuse: Discipline/Review of Disciplinary Action _____	6
Harassment or Abuse: Discipline/Monetary Fines and Penalties _____	7
Code Awareness _____	8
Code Awareness _____	8
Code Awareness _____	9
Health and Safety: Sanitation in Dormitories _____	10
Hours of Work: Rest Day _____	11
Hours of Work: Time Recording System _____	12

Wages, Benefits and Overtime Compensation: Holidays, Leave, Legal 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: It was noted that the migrant workers do not take their annual leave. Instead, they receive a payment, rather than actual leave. Migrant workers are given their annual leave payment upon the completion of their contract, when they return to their home country.

Remark: "Migrant workers are typically OK with this arrangement. They want to receive a lump sum of money when their contract ends. However, by law, the factory needs to pay them yearly, and not in the fashion that is currently stipulated in their contracts.

In accordance with Jordanian Labor Law article 61, A. Every worker shall be entitled to fourteen days annual leave (with full pay for every year of service), unless a greater number of days is provided. The period of the annual leave shall increase to 21 (twenty-one) days if he remains in the service of the employer for more than five successive years.

Plan Of Action: The management explained the annual leave policy to all migrant workers. Migrant workers asked the company to receive as a lump sum when their contract ends. The company will create a procedure for workers who want to be paid lump sum in lieu of receiving leave time when their contract ends. Workers would have the option of receiving their annual leave at the end of the year, or the payment can be deposited in their own bank account if possible.

Deadline Date:

Action Taken: The company has explained to all workers that annual leave would be available to them at the end of each year. But expat workers prefer to receive a lump sum before they return to their home country. Jordanian workers receive their payment each year.

Plan Complete: Yes

Plan Complete Date: 12/31/2009

Wages, Benefits and Overtime Compensation: Employer Provided Services

WBOT.16 All workers have a right to use or not to use employer provided services, such as housing or meals. Deductions for services to workers shall not exceed the cost of the service to the employer. Employers must be able to demonstrate the accuracy or reasonableness of these charges. (P)

Noncompliance

Explanation: It was written in the employment contract that workers were paid a monthly allowance of 26 JD for food. It was also noted that there was no place to workers to cook their food. No cafeterias or kitchens were found in the dormitories.

Plan Of Action: The management will ensure that workers get paid for food, as agreed upon in the employee contract. Any changes will be explained to workers. Workers will have to agree to these changes in writing. The company will move the dormitories to a new location; these new facilities will include a cafeteria and a kitchen. Factory management will allow workers to decide if they want to use the employer services and if they agree to be deducted the 26 JD for meals. Furthermore, the company should ask the factory management to consider eliminating the 26 JD deduction provision in the employee contract and use other means to get worker's consent to use employer provided services.

Deadline Date: 03/31/2010

Action Taken: The food deduction is required by Jordanian labor law. The factory has reviewed and decided to lower the food deduction to 23 JD as of April 1st, 2010. The new dormitories have cafeterias and kitchens.

Plan Complete: Yes

Plan Complete Date: 03/31/2010

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: It was noted that the pay slips are printed in English. The only sample pay slips printed in the workers' native languages were posted on the announcement board in the production area.

Plan Of Action: Management will review the payment system to ensure that workers understand all relevant information in the local language(s) spoken by the workers. The management will create an ongoing wage awareness program for new hires and current employees.

Deadline Date: 03/31/2010

Action Taken: The factory posted pay slips in all languages English, Arabic, Hindi and Sinhalese. The factory explained the details of these documents to workers.

Plan Complete: Yes

Plan Complete Date: 01/24/2010

Forced Labor: Personal Worker Identification and Other Documents

F.15 Workers shall retain possession or control of their passports, identity papers, travel documents or any other personal legal documents. Employers shall not retain any such documents to restrict workers' access to them for any reason whatsoever. This includes ensuring that workers shall remain in employment in the factory. (S) Employers may obtain copies of original documents for record-keeping purposes.

Noncompliance



Explanation: It was noted that the workers' passports were kept in the HR department. Workers did not know where their passports were being kept.

Plan Of Action: The management will ensure that the HR Department complies with code provision F.15. If workers agree to keep their identification documents in a secure place (e.g., the HR department), then they will have to request this service in writing and authenticate their request with a signature. Workers will also be allowed to have unrestricted access to their passports.

Deadline Date: 03/31/2010

Action Taken: The workers have given their written consent to the management for the safe keeping of their passports. The workers have also given their consent for the timely renewal of their passports, labor cards and residency permits upon expiration. The factory returned passports to workers who prefer to keep these documents themselves.

Plan Complete: Yes

Plan Complete Date: 05/02/2010

Harassment or Abuse: Discipline/Review of Disciplinary Action

H&A.3 The disciplinary system shall include possibilities for workers to have disciplinary action imposed on them reviewed by someone at a higher managerial position than the manager who imposed the disciplinary action. In addition, such a system shall include the ability of a worker to appeal and/or question any disciplinary action against him or her and/or have a third party of his or her choice present when the disciplinary action is being imposed. (P)

Noncompliance

Explanation: Workers were not provided with an opportunity to reply to disciplinary action.

Plan Of Action: The company will review its' disciplinary system and establish a policy that allows workers to question disciplinary action against them in the presence of a witness. The company will also add protocols for communicating this updated policy to workers and management and to assign a person responsible for policy enforcement.

Deadline 03/31/2010
Date:

Action Taken: Jan, 14, 2010: The factory posted the company's rules and procedures. In addition, the company hired a compliance manager in December 2009.

Plan Yes
Complete:

Plan 03/31/2010
Complete
Date:

Harassment or Abuse: Discipline/Monetary Fines and Penalties

H&A.8 Employers shall not use monetary fines and penalties as a means to maintain labor discipline, including for poor performance or for violating company rules, regulations, and policies. (S)

Uncorroborated Evidence of Noncompliance

Explanation: Disciplinary actions include monetary fines and penalties as a form of labor discipline. It was noted that workers are given monetary fines as a form of punishment.

Plan Of The management will review the company policy and remove monetary fines. The
Action: management will also add the following sustainable elements: a) protocols for communicating the updated policy to workers and upper management and b) assign a person to be responsible for policy enforcement.

Deadline
Date:

Action Taken: The factory no longer applies monetary fines. The factory posted the rules and procedures of the company in accordance with Jordanian labor law.

Plan Yes
Complete:

Plan 01/14/2010
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: The MJ Softe Code of Conduct was not provided by company.

Plan Of Action: MJ Softe Code of Conduct was provided, but was not posted in the factory. The company will post the code of conduct in the factory.

Deadline Date: 01/14/2010

Action Taken: The code of conduct has been posted in all languages.

Plan Complete: Yes

Plan Complete Date: 01/14/2010

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: 1. Workers are not informed about the company's rules and regulations.
2. Workers are not aware of the code provisions. It was noted that there was no training process to help familiarize employees and management with the code provisions.

Plan Of Action: The management will create an orientation procedure for new and existing workers to inform them about factory procedures and regulations. This orientation procedure will include the codes of conduct for both the FLA and MJ Soffe.

Deadline Date: 03/31/2010

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: The company did not have a written confidential noncompliance reporting mechanism established in the factory.

Plan Of Action: The company will create a procedure to handle the communication between management and employees. Workers will be able to discuss any work related complaints without repercussions, penalty or harassment for using this procedure. The management will investigate other possibilities to address this obligation (vis-a-vis in country PO box, regional brand phone number, local company representative, cell phone number, e-mail account, and this information can be attached to the code of conduct).

Deadline Date:

Action Taken: The company posted the names and telephone numbers of managers so that workers could report any grievances, incidents of harassment of any nature. There is also a suggestion box.

Plan Complete: Yes

Plan Complete Date: 01/14/2010

Health and Safety: Sanitation in Dormitories

H&S.28 All dormitories shall be kept secure, clean and have safety provisions (such as fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting etc.). Emergency evacuation drills shall also be conducted at least annually. (S)

Noncompliance

Explanation: During the dormitory visit the following issues were noted: 1. The fire alarm system was non-operational. 2. The heating system was non-operational. 3. Battery operated emergency exit lights were not provided in the stairwells of the ladies' dormitory. 4. One emergency exit door at ladies' dormitory was out of order. 5. 20% of the doors were missing from the men's bathroom. 6. A canteen and cafeteria were not provided in the dormitories. The management stated that employees have their breakfast, lunch and dinner at the factory, even on their days off. The men's dormitory is about 1 km away from the factory and girl's dormitory is about 500 meters away from the factory. 7. There was no specific place designed for workers to dry their clothes after washing. Workers hang their clothes on wet stairways, ropes, and toilets. 8. During the dormitory visit, a rat was sighted in the men's dormitory.

Plan Of Action: The company will move the dormitories to a new location with cafeteria and kitchen. Management will ensure the new dormitories are in compliance with safety and health.

Deadline Date: 03/31/2010

Action Taken: Workers are moved to a new dormitory location with kitchen and cafeteria with full compliance of safety and health.

Plan Complete: Yes

Plan Complete Date: 03/12/2010

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: 1. As per a review of sampled time records, it was noted that employees worked between 1-3 consecutive Fridays in September, October and November, 2009. The largest number of consecutive days worked was 21 in November 2009.

In accordance with Jordanian Labor Law Article 60, Friday of every week shall be the worker's weekly holiday, unless the nature of work requires otherwise.

Plan Of Action: The management will enforce compliance with the Jordanian labor law article 60. The company will implement communication protocols and assign a person to enforce the policy. Every Friday will be a day off for the workers.

Deadline Date: 01/01/2010

Supplier CAP:

Supplier CAP Date: 01/01/2010

Action Taken: Company assigned Friday as the day off. The factory started using the new swipe card system on April 1st, 2010. The factory has reduced working hours to a maximum of 60 hours per week. During peak season, employees may work a maximum of 72 hours per week, for a period of up to 5 months.

Plan Complete: Yes

Plan Complete Date: 03/12/2010

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: Supervisors keep the daily attendance records by manually recording employees' entry and exit in an attendance book. The factory is in the process of creating swipe card machines to record employee attendance.

Plan Of Action: The company will install an electronic system (swipe cards). The company may consider adding a battery operated backup system, in case of power failure.

Deadline Date: 02/01/2010

Supplier CAP:

Supplier CAP Date: 02/01/2010

Action Taken: The factory started using the new swipe card system April 1st, 2010. A battery operated backup system will be installed shortly.

Plan Complete: Yes

Plan Complete Date: 04/01/2010