

FLA Audit Profile		Company Statement: Due to the sudden and unanticipated closure of this factory, we did not pursue corrective action at this facility. During the time the audit was performed, we issued our last orders to the factory. Shortly thereafter, we received word that [factory] was closing their doors for good. They informed us they would not be pursuing another business venture, but rather were leaving the garment manufacturing industry altogether. They cited reasons of unspecified 'outside factors', unrelated to our working relationship, as contributing to the closure. Based on this information, and our inability to contact management or workers, we never pursued a remediation strategy with factory. We had an internal audit scheduled with a third-party firm to be conducted at [factory] in September. We canceled this audit upon word of closure. With factory closed and workers dispersed, it was not possible to follow up on issues cited in this tracking chart. While IEM revealed incomplete payroll records for 2005, failure to properly post local laws within the factory and an absence of worker contracts, the multitude of the other noncompliances cited were Health & Safety violations and Code Awareness, both of which are not considered critical for workers welfare after the factory's closure. We regret losing the opportunity to pursue the remediation of these issues.
Country	Philippines	
Factory name	310059424E	
IEM	Bureau Vertias Consumer Products Services	
Date(s) in facility	November 22, 2006	
PC(s)	Cutter & Buck	
Number of workers	52	
Product(s)	Knit Sportswear for Men, Women and Children	
Production processes	Cutting, Sewing, QC, Pressing	

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	IEM Findings				PC Internal Audit Findings (Optional)	Remediation				[Status]	Updates (Cite Date of Follow Up)		Third-Party Verification		Company Verification Follow Up		
					Evidence of Noncompliance (Un corroborated)	If Not Corroborated, Explain Why	Sources/ Documentation Used for Corroborating	Notable Features Implemented by Factory Management or Company		PC Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up (Cite Date of Follow Up)		Documentation	Completed, Pending, Ongoing	Company Follow Up	Documentation	External Verification (Date)	Documentation	Company Follow Up (Cite Date of Planned or Follow-up Visit, if Appropriate)
1. Code Awareness																					
Code posting/information		FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	Code of Conduct (COC) was not posted at factory.																		
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 posting of standards in a prominent place (in local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	Code not communicated to workers. Management representative has vendor manual, but said they were not instructed by Company on the COC.																		
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.	There was no communication channel presented during audit. According to workers and management representatives, workers can use factory's own suggestion box or go directly to the management for concerns.																		
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.																					
Employment Records		Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision.	2 out of 15 personnel files did not contain employment contracts. These workers said they signed contracts with the factory.																		
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.	2 out of 15 personnel files did not contain age documentation. Workers interviewed and were over 25 years old.																		
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.																					
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.																					
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.	Fire Safety Inspection Certificate was not posted.																		
Document Maintenance/ Accessibility		All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language.	MSDS is not available for gasoline, spot lifter and ink cleaner.																		
Evacuation Procedure	Department of Labor and Employment (DOLE)- Occupational Safety and Health Standards (OHSAS) Rule 1948.03 (1), fire exit drills shall be conducted at least twice a year to maintain an orderly evacuation of buildings, unless the local fire department requires a higher frequency of fire drills.	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.	1. Evacuation plans were not posted. 2. Fire evacuation drills were only conducted once a year.																		
Safety Equipment	Department of Labor and Employment, Occupational Safety and Health Standards, Rule 1944.05 f. Extinguishers shall be inspected monthly or at more frequent intervals when circumstances require to ensure that they are in their designated places, to determine physical damages and that they are in good operable condition.	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.	1. There were no first aid kits available in production area. 2. All fire extinguishers were not regularly maintained. Last maintenance date was September 30, 2006.																		
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.	1. Workers were not wearing appropriate PPE (mesh gloves for cutters, masks for sewers and users of the spot lifter/ink cleaner). 2. Posters about wearing of appropriate PPE were not posted.																		
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.	Gasoline (fuel for boiler) was not properly labeled and secured.																		
Machinery Maintenance		All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	All sewing machines did not have needle guards.																		
Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	Kitchen, canteen and toilets in the production areas were not well-maintained.																		
Sanitation in Dining Area	According to Philippine Sanitation Code (Presidential Decree No. 856), Chapter III, Food Establishment, Sec. 14. Sanitary Permit, a.) No person or entity shall operate a food establishment for public patronage without securing permit from local health office. Term 'food establishment' as used in this chapter means an establishment where food or drinking manufactured, processed, stored, sold or served. b.) Every Sanitary Permit shall be posted in a conspicuous place of the establishment.	All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building.	1. Kitchen and canteen were not well-maintained. 2. No sanitary permit was presented during the audit.																		

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Sanitation in Dormitories		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 should also be conducted at least annually.	1. Toilets in the dormitory were not well-maintained. 2. Dormitory fire/emergency exits were blocked.					Factory tour, worker interviews.														
Other	Presidential Decree 1586, no person, partnership or corporation shall undertake or operate any such declared Environmentally Critical Project or area without first securing Environmental Compliance Certificate (ECC) issued by President or his duly authorized representatives. The following categories of projects/undertakings under Environmental Impact Assessment (EIA) system: Category A: ECPs with significant potential to cause negative environmental impacts. Category B: Projects not categorized as ECPs, may cause negative environmental impacts because are located in Environmentally Critical Areas (ECAs). Category C: Projects intended to directly enhance environmental quality or address existing environmental problems not falling under categories A and B. Category D: Projects unlikely to cause adverse environmental impacts. All other activities not covered by (EIS) system may have option to secure Certificate of Non-Coverage (CNC).		No Environmental Compliance Certificate (ECC) or Certificate of Non-Coverage was acquired from Department of Environment and Natural Resources (DENR).					Document review, factory tour, management interview.														
7. Freedom of Association and Collective Bargaining																						
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.																						
Compliance to local collective bargaining laws		Employers will comply with all national and local laws and regulations concerning collective bargaining and free association. Where conflicts are known to exist, employers will use the standard that provides the greatest protection for workers.		Cannot be determined, as CBA not available during audit. According to union president and management representative, document is with top management.				Worker interview, management interview, document review.														
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.																						
Wage and Benefits Posting		All notices legally required to be posted in factory work areas will be posted. All legally required documents, such as copies of legal code or law, will be kept at factory and available for inspection.	There were no labor laws (wages and benefits) posted.					Factory tour														
Record Maintenance		All legally required payroll documents, journals and reports will be available complete, accurate and up-to-date. (In United States terms this would include W-4s, 9s, green cards, 941s and supporting material.	1. Records for 2005 were not available for review. 2. Time cards reviewed had same time out and written in same hand.					Document review, worker interview, management interview														
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 off in every seven day period.																						
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.																						
Miscellaneous																						