



2010

## FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

**COMPANY:** Esquel  
**COUNTRY:** Sri Lanka  
**FACTORY CODE:** 890070449H  
**MONITOR:** T Group Solutions Pvt Ltd  
**AUDIT DATE:** December 10 – 11, 2009  
**PRODUCTS:** Knits, T-Shirts  
**PROCESSES:** Cutting, Embroidery, Sewing,  
Finishing, Packing (Washing and Printing are  
subcontracted)  
**NUMBER OF WORKERS:** 1303



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## **Wages, Benefits and Overtime Compensation: General Compliance Wages, Benefits and Overtime Compensation**

WBOT.1 Employers shall comply with all local laws, regulations and procedures concerning the payment of wages and benefits, including overtime compensation. In any case where laws and the FLA Code are contradictory, the standard that provides the greatest protection for workers shall apply. Where provisions are lacking, employers shall take measures to reasonably accommodate matters concerning the payments of wages and benefits, including overtime compensation. (S)

### **Noncompliance**

**Explanation:** 1. Review of wage records for past 3 months reveals that from employee code C10916 onwards, Budgetary Relief Allowance (BRA) is not being shown separately. This does not comply with BOI guidelines and BRA Act 36 of 2005.

2. In absence of corresponding documents for outsourced workers, cannot confirm if the benefits are being extended to them.

**Plan Of Action:** The specified employee code refers to new workers who joined after the enactment of BRA. Thus, the BRA is clearly indicated on the employment contract of new workers as a part of their basic pay. This is the reason why it is not indicated separately on the pay slip. However, with effect from July 2010, we have included a note on the pay slip. The basic salary is inclusive of BRA Rs. 1000 for those eligible new employees. BRA has been included as a separate item in the pay slip of outsourced security service.

July 2011 update: A new company for janitorial service is appointed from August 2011 and the requirement of indicating BRA as a separate item is communicated to them.

**Deadline Date:** 07/30/2010

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** Yes

**Plan Complete Date:**

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**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)

**Uncorroborated Evidence of Noncompliance**

**Explanation:** In absence of wage records for outsourced workers (security, janitorial housekeeping and canteen workers) cannot confirm accurate wages.

**Plan Of Action:** We have changed the previous security company and appointed a new company with effect from February 2010. The new firm provides wage details of personnel on our premises employed by them. Janitorial service also provides the salary details of their employees on a monthly basis.

**Deadline Date:** 03/01/2010

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** Yes

**Plan Complete Date:**

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### **Wages, Benefits and Overtime Compensation: Payment for All Hours Worked**

WBOT.7 Workers shall 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. (S)

#### **Noncompliance**

**Explanation:** Some discrepancies were observed with the time recording mechanism. This is because the software installed has been developed with a tolerance provision for every 15 minutes. Hence, accuracy in recording working hours is affected to the extent of 15 minutes at a time. Should the margin of 15 minutes come into play when a worker swipes their card, there would be a corresponding impact on compensation.

**Plan Of Action:** We have reviewed the system and discussed with the IT team to make modifications that would resolve the issue of 15-minute tolerance effect on overtime calculation. Changes are currently being made and the system is under review.

**Deadline Date:** 09/01/2010

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**Plan Complete Date:**

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**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:** Appointment letters issued to outsourced security guards do not reflect the wages payable and the legal benefits that the guard is entitled to. Also, other terms and conditions for employment are not specified.

**Plan Of Action:** We have changed the previous security company and appointed a new company with effect from February 10. The new firm provides appointment letters to their staff, mentioning the legal benefits and wages.

**Deadline Date:** 03/01/2010

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** Yes

**Plan Complete Date:**

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### **Freedom of Association: Grievance Procedure**

FOA.26 Employer shall have in place written grievance procedures that allow first 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 and the structure and size of the enterprise. Employers shall ensure that the grievance procedures and applicable rules are known to workers. (P)

#### **Noncompliance**

**Explanation:** While there is an established grievance handling procedure, there appear to be gaps in the system. According to workers interviewed, the system to log the complaints/suggestions and return feedback does not always work as intended.

**Plan Of Action:** All grievances or suggestions received are logged in the grievance log together with information about what action was taken. Investigations are conducted for grievances related to harassment or abuse and a separate file is maintained for such cases. Finding/Recommendations/Actions Taken are brought to the notice of the Head of Department or Factory Manager/Production Manager. Summary of grievances and management response/actions taken will be displayed on the notice board every month.

**Deadline Date:** 08/30/2010

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**Plan Complete Date:**

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## Freedom of Association: Other - Freedom of Association and Collective Bargaining

Other

### Uncorroborated Evidence of Noncompliance

**Explanation:** The union representatives were concerned that the Collective Bargaining Agreement (CBA), which had expired August 31, 2009, had not been subsequently renewed/re-negotiated owing to that they felt that the salary increments could be impacted; in as much as they could be substantially lower than what they might have been able to negotiate.

**Plan Of Action:** After the expiration of the CBA on August 31, 2009, no requests were made by the union to begin new negotiations. As of the date of the FLA audit, management had still not received a request for negotiations to begin and/or a new demand letter. [Factory name] management received the new demand letter from the union December 27, 2009. As a result, management entered into negotiations at that time and had official meetings with both the branch and the parent union. Management decisions were communicated in writing to the union and union responses were also received by management. Management agreed to Rs.1000 increment with effect from February 2010. An increment of Rs.1000 and adding of Rs. 750, previously granted allowance to the basic salary was made with effect from January 2011, resulted in a basic salary increase by Rs. 1750. Management remains open to continuing to discuss a CBA. Other terms and conditions of the CBA are still under negotiation.

**Deadline**

**Date:**

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**Plan Complete Date:**

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**Harassment or Abuse: Discipline/Verbal Abuse**

H&A.11 Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline. (S)

**Noncompliance**

**Explanation:** Based on review of records of documented issues obtained from the grievance/suggestion box and interviews with workers, instances of verbal harassment and favoritism by supervisors were noticed.

**Plan Of Action:** The corrective action would be the same as H&A.16 below.

**Deadline Date:** 09/01/2010

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**Plan Complete Date:**

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**Harassment or Abuse: Punishment of Abusive Workers/Supervisors/Managers**

H&A.16 Management shall discipline anyone (including managers, supervisors or fellow workers) who engages in any physical, sexual, psychological or verbal violence, harassment or abuse, regardless of whether such action was intended as a means to maintain labor discipline. Such discipline could include (combinations of) compulsory counseling, warnings, demotions and termination. (P)

**Noncompliance**

**Explanation:** Though the company policy on Prohibition of Harassment and Abuse details a proper system and exhibits a zero tolerance policy, this practice was not being followed. Review of documents reveals numerous complaints of verbal abuse by supervisors received over the past 2 years, but none have been logged in a proper manner with details to exhibit actions and steps taken to prevent re-occurrence.

**Plan Of Action:** The following measures are already taken. Created general awareness on grievance procedure and Harassment and Abuse policy among all employees by posting banners in canteen and making announcements through Public Announcing system. All grievance/complaints received from employees are documented, including the investigation details and actions taken. Head of the department and senior production team are made aware of the received grievances/complaints and actions taken. Employee who raised the grievance is informed of what action is taken and acknowledgement is received. Conducted awareness session for production staff on how to handle poor performers and how to react to a conflict situation. Summarized grievances and management responses will be displayed on the notice boards.

**Deadline Date:** 09/01/2010

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**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. Evacuation plans posted in work areas not prominent. They are too small and cannot be easily read.
  2. As stated by their management, evacuation drills are conducted once every 6 months (April and September). The last drill was conducted November 20, 2009.
  3. Log for drill conducted in April reviewed; no mention of number of employees who participated. Log for drill conducted after April 2009 could not be produced for review.
  4. Fire drills are not conducted for workers on the night shift.
  5. Emergency lights missing above 3 exits in cutting section, 2 in band knife cutting room, 2 in sewing section, 1 in training section and in cut fabric storage areas. Emergency lights also missing on few staircase landings.
  6. Emergency light installed above 1 exit in cutting section and on staircase leading to canteen had very poor illumination (132 and 71 lux) when tested at distance of 1 foot.
  7. Large quantity of fabric packed in polythene bags seen stored under staircases towards the rear end of the cutting section.

**Plan Of  
Action:**

1. Completed this task by end of April 2010.
2. Fire drill conducted in May 2010.
3. Number of employees who participated in fire drill indicated on evacuation drill log in May.
4. Night shift fire drill will be conducted on August 18.
5. Already corrected.
6. Replaced new bulbs and batteries.
7. Reviewed existing garbage removal procedure and increased frequency of removing fabric pieces from factory premises.

**Deadline** 04/30/2010  
**Date:**

**Action** See above Plan for Action field for Actions Taken.  
**Taken:**

**Plan** No  
**Complete:**

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

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### 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:** 1. Sterilized gloves seen in first aid kits are stored in open packets.  
2. Antiseptic lotion/cream and eye wash cup/lotion were missing from a few first aid kits.

**Plan Of** 1. Sterilized gloves are stored in sealed packets.  
**Action:** 2. First aid boxes are refilled daily.

**Deadline** 04/02/2010  
**Date:**

**Action** See above Plan for Action field for Actions Taken.  
**Taken:**

**Plan** Yes  
**Complete:**

**Plan  
Complete  
Date:**

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### **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:**
1. Eye shields are not being used on the bar-tak machines.
  2. Most workers in the cutting section were not using respiratory masks.
  3. Worker in the cutting section was seen using a high speed drill machine to drill holes for fabric holders on the table. The worker was not provided with any PPE to protect against injury in case of drill needle breakage or the rotating needle slips.

**Plan Of Action:** Factory will continue to educate employees on following safe work practices and PPE usage. [Factory name] is focusing on strengthening the EHS teams and workshops are held for EHS teams to educate the team members. Various activities are planned to be organized to ensure that we inculcate a safe work culture in [Factory name.] PPE was provided to relevant employees. The factory continues to educate employees on following safe work practices and using PPE. This is done in several ways, supervisor direct communication, posters, PA system and ongoing training. [Factory name] is focusing on strengthening the EHS teams. The EHS Committee is composed of employees of various departments, nurses and the management. The HR executive, also a member of the EHS Committee, conducts regular walkthrough inspections to monitor factory conditions. Workshops are held for EHS teams to educate their team members. To inculcate a safe work culture in [Factory name], poster and knowledge-sharing competitions will be held by the end of the year 2011.

**Deadline  
Date:**

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**Plan Complete Date:**

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### **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 in few areas on the cutting table, sewing machines without individual lamps and overlock machines inadequate, measuring between 230 to 435 lux. The lux levels on sewing machines with individual lights were between 1200 to 1398 lux. In a few cases it was over 1800 lux.

**Plan Of Action:** Factory consulted a senior research officer, occupational health and safety division of Sri Lanka labor department and received a report with recommendations. Factory is in the process of taking corrective actions based on the recommendations.

**Deadline Date:** 09/30/2010

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**Plan Complete Date:**

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## 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:** Some workers with standing jobs were seen standing barefoot or using high-heeled/hard-soled footwear.

**Plan Of Action:** Factory will continue to educate employees on following safe work practices. Notices will be posted to educate workers. [Factory name] is focusing on strengthening the EHS teams and workshops are held for EHS teams to educate the team members. Various activities are planned to be organized to ensure that we inculcate a safe work culture in [Factory name]. Standing workers are asked to wear rubber soles shoes/slippers and benches are provided to take short breaks if they wish. Factory continues to educate employees on following safe work practices. Notices are posted to educate workers. The message of the importance of a safe working environment is spread to the workers through their supervisors and the PA system. This element is also included in the orientation training. [Factory name] is focusing on strengthening the EHS teams and workshops are held for EHS teams to educate the team members. EHS posters will be put up and knowledge-sharing competitions will be held by the end of the year to raise employees' awareness on a safe working environment. The EHS Committee is comprised of employees from various departments, nurses, and members of the management team. The HR executive, who is also a member of the EHS Committee, conducts regular walkthrough inspections to monitor the factory conditions and make recommendations when needed.

**Deadline Date:**

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**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:** Soap and towels were not available in the toilets.

**Plan Of Action:** Will ensure more soap is available in the toilets. Please note that the factory provides hand dryers instead of "towels," as several of our customers have required that and some believe it to be more hygienic. More soap is provided in the toilets, nurses conduct regular checks to ensure soap is always available. Regular checks by the maintenance department are conducted to ensure all hand dryers function properly.

**Deadline Date:** 04/02/2010

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**Plan Complete Date:**

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### Health and Safety: Drinking Water

H&S.26 Safe and clean drinking water shall be freely available at all times, within reasonable distance of the workplace. Drinking water shall be of a reasonable temperature and the means to drink water (cups, etc.) must be safe and sanitary and available in an appropriate number. (S)

#### Noncompliance

**Explanation:** The drinking water in the canteen also works as a hand wash station.

**Plan Of Action:** Boards are posted to educate workers that the water is only for drinking. Periodical checks are done to make sure to ensure that water provided in the canteen is in the appropriate drinking water condition. Continue to educate workers and put up notices.

**Deadline Date:** 08/30/2010

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**Plan Complete Date:**

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## 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:**
1. Emergency lights missing above exits. Those installed in rooms have very weak illumination.
  2. No fire alarm is installed in dormitory.
  3. Evacuation plans posted do not match with layout. Also, they are very small and cannot be easily read.
  4. No fire evacuation drills are conducted in dormitory.
  5. Electrical installations, like lights, fans have joint electrical wires which are not taped.
  6. Excessive lint seen on wall fans and wire joints of electric wires connecting fans/lights with mains.
  7. Fans are not provided in most rooms. Workers stated most fans provided do not work.
  8. Ceiling fan in 1 room is very close to upper bed on one bunk bed. There is no safety cover installed to prevent injury to worker while climbing on or getting off the bed.
  9. No lights provided in corridor on ground floor. Most lights in room not working when tested.
  10. First aid kits inadequately stocked; except for some cotton and antiseptic lotion, nothing provided. Sterilized gloves, scissors, band aids, medical plasters, etc., missing. No first aid kits provided in kitchen areas.
  11. Few rooms very congested; hardly space for workers to move between bunk beds.
  12. No cupboards provided for workers to store personal belongings and cooking items. Vegetables, fruits, etc., seen stored in open, on suitcases or floors. A rat was seen crawling out of room through ventilation slits in wall.
  13. All doors in the dormitory open inwards.
  14. Seating capacity in the dining area is inadequate. There are 10 chairs for 84 boarders.
  15. Evacuation plans posted do not match layout; are very small and not easily read.

16. Kitchen area provided for workers to cook in the dormitory is crowded.

17. Shower areas are open. There are no enclosures provided.

18. The floors in the shower areas have stagnant water and are slippery. There is a layer of moss formed on the floor. This could cause injury to workers.

**Plan Of  
Action:**

Hostel upgrading work completed as we have planned previously. We are continuing to look into the areas of improvements needed. Hostel renovation is in progress. Most of the issues have been rectified. The renovation will be completed by August 2011.

1) Emergency lights fixed; 2) Fire alarm installed; 3) Revised evacuation plans posted; 4) Fire drill conducted in dormitory on annual basis; 5) Electrical installations repaired to meet standard; 6) Regular cleaning done and upgrading dormitory is underway; 7) Renovation work in progress in dorm and fans will be provided as needed; 8) Ceiling fan removed; 9) Lights provided in corridor on ground floor. Lights in rooms are all in working condition; 10) Adequately stocked first aid kits provided for each floor and kitchen area; 11) Upgrading hostel underway; 12) Cupboards provided for each occupant; 13) Inward open doors inside dorm permanently kept open. Other doors will be converted to open outwards; 14) Number of chairs increased; 15) Evacuation plans revised. (Same issue as point 3); 16) Kitchen area will be renovated; 17) Shower areas provided with roofing, separation will also be done; 18) Shower area will be renovated.

Factory nurse and HR executive regularly visit dorm to review conditions and attend to any areas of improvement needed. An EHS Dorm Committee, comprised of 5 members of residents, is set up in an effort to better monitor dorm conditions. The group CSR manager also makes announced/unannounced visits to the dorm during his routine factory visits.

**Deadline  
Date:** 09/30/2010

**Action  
Taken:** See above Plan for Action field for Actions Taken.

**Plan  
Complete:** No

**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:**
1. Review of time records for past 3 months reveals that during November 2009, a few workers in the cutting, sewing, pressing and packing sections have worked over 60 hours a week up to 95.5 hours. Drivers work between 95 to 110 hours a week every month.
  2. Instances noticed where workers from pressing section have worked until midnight and have again reported for work at 7am the next day.
  3. Based on agreement between factory and [Security Company name], wages for security guards fixed for 12 hours of work. This amounts to 72 hours work during week.

**Plan Of Action:** We are continuing our efforts to manage and control overtime to be within required limits. Security guards' working hours and pay for 12 hour shift is industry practice in Sri Lanka, and all security companies follow this practice or provide falsified records to factory/customer. We are unfortunately not in a position to change this practice alone. It would be helpful if a group of brands/retailers/suppliers and the FLA can work together to address this issue as an industry concern. We have expanded our operations in Sri Lanka by adding a new facility, which will ease the loading of this factory. We continue our efforts to manage our working hours within required limits. Working hours of all workers are tracked on a weekly basis, a weekly OT tracking report is sent from factory to headquarters. Currently, working hours kept at 60 hours/week, with less than 10% of total workforce working 60-66 hrs/ week on unavoidable occasions. Security guard working hours of 12 hour shifts is industry practice in Sri Lanka and all security companies follow this practice.

**Deadline Date:**

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**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 of security guards reveal that they have worked for 19 days/11 days continuously with no day off in the month of October 2009. Also, the record reveals no entries in the month of November 2009. Again in December, the attendance is being recorded.

**Plan Of Action:** With the change in security company, this issue is mostly corrected. We have communicated our company policy on work hours to security company and we also monitor their shift arrangements and working hours to be within 72. As per security trade legal requirements, they are entitled to 4 days off per month; they can take them as they wish and not necessarily on Sundays. Since most security officers are from far away villages, they prefer to work continuously and then take the 4 days off together and travel to see their families. We have to consider these social issues as well.

**Deadline Date:**

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**Plan Complete Date:**

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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:** 1. While most young workers are working 50 hours of overtime a month, instances were found where few have worked in excess of 50 hours of OT in November 2009. Per BOI standards, they cannot work over 50 hours of overtime per month. Since the calculation of OT hours is not accurate, there is a possibility of these workers working over 50 hours of overtime a month.

2. Review of time records for female workers in the embroidery section reveals that on Saturdays, work done after 10pm on a 5.30pm to 11.30 pm shift is not being considered as night shift. Hence, female workers have actually worked 12 nights, while time records reflect 10 nights. Per BOI standards any work between 10pm and 6am is considered night work. Female workers cannot work more than 10 nights a month.

**Plan Of Action:** We introduced daily weekly and monthly OT tracking system and created awareness among all young workers about the maximum legal limitation of working hours. We have changed the shift arrangement of embroidery department on Saturday and Saturday; second shift now ends at 10.00 pm or before.

**Deadline Date:** 04/30/2010

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**Plan Complete Date:**

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### 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:** Time records for workers outsourced for janitorial services were not available for review. Some discrepancies were observed in the time recording mechanism. This is because the software installed has been developed with a tolerance provision for every 15 minutes. Hence, accuracy in recording working hours is affected to the extent of 15 minutes at a time. Should the margin of 15 minutes come into play when a worker swipes their card, there would be a corresponding impact on compensation.

**Plan Of Action:** The corrective action plan would be same as WBOT.7.

**Deadline Date:** 09/01/2010

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**Plan Complete Date:**

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**Hours of Work: Overtime/Reduced Mandated Overtime**

HOW.8 The employer shall demonstrate a commitment to reduce overtime and to enact a voluntary overtime system, including for overtime mandated to meet extraordinary business circumstances. (P)

**Noncompliance**

**Explanation:** Workers sign on OT consent sheets. However, some workers and union members stated during interviews that though OT is voluntary and is stated so on the consent sheet, supervisors shout at those refusing to sign the sheets.

**Plan Of Action:** Already conducted an awareness session with the production staff on how to properly discuss OT with the workers. Awareness was also conducted to employees so if they face such situations they can directly bring the issue to the notice of the HR department.

**Deadline Date:** 03/30/2010

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**Plan Complete Date:**

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**Hours of Work: Other - Hours of Work**

Other

**Noncompliance**

**Explanation:** Factory policy on Hours of Work does not state the factory timings and the weekly day of rest.

**Plan Of Action:** The factory timings and the weekly day of rest will be included in the Hours of Work policy and communication to workers will happen via training and postings on notice boards. The policy will be edited to include detail information.

**Deadline Date:** 08/30/2010

**Action Taken:** See above Plan for Action field for Actions Taken.

**Plan Complete:** No

**Plan Complete Date:**

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