



Brand Performance Check

DW-Shop GmbH

August 2013

This report covers the evaluation period
February 2012 to June 2013

About the Brand Performance Check

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at multiple levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of the clothing brands have an enormous influence for good or ill on factory conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's affiliate members. The Checks examine how affiliate management systems support FWF's Code of Labour Practices.

In most apparel supply chains, clothing brands do not own factories, and most factories work for many different brands. This means that in most cases FWF affiliates have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of affiliates. Outcomes at the factory level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF affiliates cannot guarantee results.

Even if outcomes at the factory level cannot be guaranteed, the importance of good management practices by affiliates cannot be understated. Even one concerned customer at a factory can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a factory can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

Improvement of supply chains is a step-by-step process, through which affiliates must address many different issues. FWF affiliates vary greatly in management structures, and have different strengths. The Performance Benchmarking system is designed to reflect these differences, and the many different ways that a company can support better working conditions.

During the Brand Performance Check, FWF staff speak to various employees at the affiliate who have important roles to play in the management of supply chains. FWF verifies the actions of affiliates based on several sources including documentation of activities, financial records, the affiliate's supplier register and staff interviews. Following the Brand Performance Check, FWF summarizes findings in this report, which is made public via www.fairwear.org. The FWF Performance Benchmarking Guide provides more information about the indicators and is available for download.

Brand Performance Check Details

Date of Brand Performance Check	17 April 2013 and 15 July 2013	
Conducted by:	Stefanie Santila Karl	
Interviews With:	Ferdinand Solzbacher Michael Wichterich Joerg Roggensack Irene Hanak	CEO CSR & Communication Head of Buying Department Head of Sales Department

Scoring

Affiliate Benchmarking scores and Performance Benchmarking categories will be published starting in 2014. During 2013, FWF will be testing out the new system and evaluating the appropriate threshold levels for Benchmarking categories.

DW-Shop GmbH (hereafter DW-Shop)

2013 Brand Performance Check

Affiliate Information		
Headquarters:	Koenigswinter	Germany
Member Since:	February	2012
Product Types:	Fashion, Bags & Accessories	
Production countries:	FWF Active Countries: Turkey, China, India Other countries: Bolivia, Great Britain, Peru, Indonesia	
Basic Requirements		
Workplan for this evaluation period was submitted?	Yes	Must be submitted before start of evaluation period
Projected supplier register for this evaluation was submitted?	Yes	Must be submitted before start of evaluation period
Actual supplier register for this evaluation period has been submitted?	Yes	Must be submitted after the end of the evaluation period.
Membership fee has been paid?	Yes	
All suppliers have been notified of FWF membership?	Yes	
Scoring Overview		
% of suppliers under monitoring	61.65%	
Summary	<p>DW Shop meets FWF membership requirements and goes beyond some of them. DW Shop, once initiated by "Welthungerhilfe", has longstanding business relationships with its suppliers. Apart from Fair Wear Foundation, DW Shop is also member of BSCI and used to audit systems. Challenge for the second year of FWF affiliation is to work on implementation of findings at production sites and to engage in training and capacity building activities.</p>	

Purchasing Practices

Basic Measures		Comments
% of production in low-risk countries	0%	Countries with relatively low risk of labour violations as defined by

Performance Indicators	Result	Relevance of Indicator	Documentation
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity.	43%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier register provided by affiliate.
1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years.	72%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier register provided by affiliate.
1.3 Labour conditions are considered when selecting new suppliers.	Yes	Including labour conditions considerations in selecting suppliers supports responsible business practices.	Documentation of decisionmaking process; e.g. checklists for buyers, emails, etc.
	Comment: Considering labour conditions when selecting new suppliers is a defined responsibility within the purchasing department. The purchaser inform about FWF membership and inform the FWF responsible at DW-Shop if a new supplier is used.		
1.4 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	Yes	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.
	Comment: Before production starts, the CoLP is send and signed.		
1.5 Company conducts audits at all new suppliers before placing orders.	No	An important due diligence step. Before placing production orders, affiliates should conduct an audit at all new suppliers to assess risks for CoLP violations.	Audit documentation; must meet FWF audit quality standards.

1.6 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. The small number of factories in the programme means sourcing from FWF factory members cannot be a requirement.	Supplier register provided by affiliate.
1.7 Percentage of production volume from factories owned by the affiliate.	0%	Owning a supplier provides clear accountability for and direct influence over working conditions. It reduces the risk of unexpected CoLP violations.	Supplier register provided by affiliate.
Comment: Although none of the production sites is owned by DW-Shop, the FWF affiliate works together already more than 15 years with many of its suppliers. DW-Shop sources partly at production sites which are in a way special due to ownership, e.g. cooperatives in India.			
1.8 Supplier compliance with Code of Labour Practices is evaluated in a systemic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.
Comment: DW-Shop discusses supplier performance with purchasing and CEO approx. every half year. Suppliers performance with regard to social standards is part of those meetings. Recommendation: It is recommended to use the evaluation results to reward suppliers for improving their performance with regard to social standards.			
1.9 The affiliate's production planning systems support reasonable working hours.	General System	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.
Comment: With the start of the production planning, suppliers are informed about production plans of DW-Shop at the specific production site. Usually 2 months later, the supplier receives the final order which allows the supplier to order materials already. The actual amount of production time differs depending on the style of the product or the experience DW-Shop has with the supplier. During production planning, capacities of the suppliers are also taken into account in the decision making of what production site to produce what style.			
1.10 Percentage of production volume from suppliers where excessive overtime is found by FWF.	50%	Excessive overtime is one of the most common labour rights violations in high-risk production countries. It is often caused by poor production planning by brands.	Audits conducted by FWF auditors; Complaints filed via the FWF worker helpline.
Comment: FWF auditors found excessive overtime in 2 factories, 1 factory asked for Sunday work without providing one day off. At one factory overtime could not be assessed due to missing documents. At 2 production sites, no overtime was found. Requirement: The affiliate has to take adequate steps to ensure reasonable working hours at the production sites.			

<p>1.11 Degree to which affiliate analyses and mitigates root causes of excessive overtime, if found.</p>	<p>Reactive Approach</p>	<p>Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.</p>	<p>Examples of root cause analyses and resulting changes in production planning/policy.</p>
<p>Comment: DW-Shop assesses the root causes of overtime with suppliers if found. Recommendation: DW-Shop should analyse root-causes of overtime at all suppliers and integrate results into policies.</p>			
<p>1.12 Affiliate’s pricing policy allows for payment of at least the legal minimum wages in production countries.</p>	<p>Affiliate can demonstrate a pricing policy based on country level data. Minimum wage levels are known by affiliate in all production countries.</p>	<p>The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.</p>	<p>Formal systems to calculate labour costs on per-product or country/city level.</p>
<p>Comment: The supplier is involved in an early stage when production planning starts. DW-Shop asks the production site to make a price without checking for details in calculation. DW-Shop includes experience with the supplier, previous prices and market developments such as salary increases within a country or price changes within the cotton industry.</p>			
<p>1.13 Affiliate actively responds if suppliers fail to pay legal minimum wages.</p>	<p>Not applicable</p>	<p>If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.</p>	<p>Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.</p>
<p>Comment: None of the audit reports showed failing in payment of the legal minimum wages.</p>			
<p>1.14 Evidence of late payments to suppliers by affiliate.</p>	<p>No</p>	<p>Late payments to suppliers can have a negative impact on factories and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.</p>	<p>Based on a complaint or audit report; review of factory and affiliate financial documents.</p>
<p>Comment: Approximately 40% of the production sites receive pre-payments to pay for materials when orders are placed. Final payment is transferred after supplier has send the documents that the goods are shipped. Audit reports do not show any evidence of late payments to suppliers.</p>			
<p>1.15 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers.</p>	<p>Factory level approach</p>	<p>Sustained progress towards living wages requires adjustments to affiliates’ policies.</p>	<p>Wage ladders, correspondance with supplier, other relevant documentation.</p>

<p>Comment: Suppliers partly pay higher than living wage estimate of Asia Floor Wage. At one supplier, DW-Shop ensures a high production capacity at the supplier but wages are low. DW-Shop explicitly addressed this issue to force higher wages. Requirement: Sustained progress towards living wages requires adjustments to affiliates' policies.</p>
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Purchasing Practices Comments:

Aside the FWF membership DW-Shop is a member of the Business Social Compliance Initiative (BSCI).

At the beginning of FWF membership all suppliers have been informed about FWF in general and with a special focus on living wage payments as DW-Shop sees this point as most important when it comes to implementation of social standards between the two initiatives.

Monitoring & Remediation

Basic Measures		Comments
% of own production under monitoring	61.65%	Measured as a percentage of turnover.
Minimum monitoring threshold based on years of membership:	40% (meets threshold)	1 year: 40%; 2 years 60%; 3 years+: 90%

Performance Indicators	Result	Relevance of Indicator	Documentation
2.1 Specific staff person is designated to follow up on problems identified by monitoring system.	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.
2.2 Degree of progress towards resolution of existing Corrective Action Plans.	Moderate efforts have been made to address most CAPs.	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.
2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year.	67%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.
	Recommendation: Annual visits should be made for production sites (including subcontractors and production in low-risk countries). Regular visits provide the opportunities to discuss problems and corrective actions in the time period between formal audits.		
2.4 Existing audit reports are collected.	Yes and quality assessed.	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.

	<p>Comment: The FWF Audit Quality Assessment Tool has been used to verify the quality of existing audit reports. Due to the reason that especially BSCI audits are done on a yearly basis, DW-Shop only takes action on findings again mentioned in a second audit report. Recommendation: It is recommended to follow up on corrective actions straight away after receiving an audit report. This is to ensure quick and effective remediation as a joint effort between the factory and DW-Shop.</p>		
<p>2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner.</p>	<p>Yes</p>	<p>FWF audit reports should be shared and discussed with suppliers within two months of audit receipt. Timely sharing of information and agreement on corrective actions is essential for improvement. A reasonable time frame should be specified for resolving findings.</p>	<p>Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.</p>
	<p>Comment: DW-Shop has designated staff at the head office as well at some of the production countries who are responsible for the implementation of findings in the production countries.</p>		
<p>2.6 A structured approach is used to address issues that occur at multiple suppliers.</p>	<p>No</p>	<p>Issues that occur in multiple factories often need to be addressed in a systemic manner, especially when the root causes are located in brand management choices or from regionally specific issues (e.g. fire safety, gender discrimination and harassment).</p>	<p>Documentation of a systemic approach: root cause analyses, productivity assessments, guidance documents, internal system changes, etc.</p>
	<p>Recommendation: It is recommended to analyse audit findings which occur at multiple suppliers to be addressed on a strategic level.</p>		
<p>2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers.</p>	<p>Information sharing</p>	<p>Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.</p>	<p>Shared CAPs, evidence of cooperation with other customers.</p>
	<p>Comment: One audit conducted was for DW-Shop and another FWF affiliate. DW-Shop shared information about CAPs with the other FWF affiliate.</p>		
<p>2.8 Monitoring requirements are fulfilled for production in low-risk countries.</p>	<p>Yes</p>	<p>Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.</p>	<p>Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.</p>
	<p>Comment: DW-Shop produces at only one production site in a low-risk country with very little volume. This production site is treated as all others and receives same information with regard to FWF membership.</p>		

<p>2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)</p>	<p>Not applicable</p>	<p>FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.</p>	<p>Questionnaires are on file.</p>
<p>2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)</p>	<p>Not applicable</p>	<p>FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.</p>	<p>Supplier register; Documentation of sales volumes of products made by FWF or FLA members.</p>

Monitoring Comments:

Complaints Handling

Basic Measures		Comments
Number of worker complaints received since last check.	0	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the
Number of worker complaints in process of being resolved.	N/A	
Number of worker complaints resolved since last check.	N/A	

Performance Indicators	Result	Relevance of Indicator	Documentation
3.1 A specific employee has been designated to address worker complaints.	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.
	<p>Comment: DW-Shop has a person responsible for handling complaints. In case of a complaint it is agreed that the head of purchasing, the responsible purchaser for the supplier and the CEO are immediately informed. Local staff would be included in the remediation process.</p> <p>Recommendation: It is recommended to formalise the process of who to inform, when and what to do in case of a complaint.</p>		
3.2 System exists to check that the Worker Information Sheet is posted in factories.	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.
	<p>Comment: Local staff as well as travelling staff from the head office check the posting of the CoLP and take pictures as evidence. Local staff partly already sends pictures. It is planned that travelling staff has to take pictures at the production sites and check whether the complaints handler number is correctly posted.</p>		
3.3 Percentage of audited factories where at least half of workers are aware of the FWF worker helpline.	50%	The FWF complaints procedure is a crucial element of verification. If factory-based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism.

	<p>Requirement: The affiliate should check if the worker information sheet is posted. The information sheet is the first step towards awareness raising about the existence and functioning of FWFs worker hotline.</p> <p>Requirement: It is important that the affiliate informs the factory managers about the existence of the hotline. The factory managers are the key actors in informing workers about their rights.</p> <p>Recommendation: The affiliate can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline.</p>		
<p>3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure.</p>	<p>Not applicable</p>	<p>Involvement by the FWF affiliate is crucial in resolving a complaint at a supplier.</p>	<p>Documentation that affiliate has completed all required steps in the complaints handling process.</p>
<p>3.5 Cooperation with other customers in addressing worker complaints at shared suppliers</p>	<p>Not applicable</p>	<p>Because most factories supply several customers with products, involvement of other customers by the FWF affiliate can be critical in resolving a complaint at a supplier.</p>	<p>Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.</p>

Complaints Comments

Training & Capacity Building

Performance Indicators	Result	Relevance of Indicator	Documentation
4.1 Staff at affiliate is made aware of FWF membership requirements.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.
	Comment: Internal meetings on social standards took place with purchasing staff.		
4.2 Advanced training is provided to staff in direct contact with suppliers on CoLP requirements.	No	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.
	Recommendation: It is recommended to conduct a training explicitly on social standards to travelling staff. FWF can be of support		
4.3 Agents are informed of CoLP requirements and act to support their implementation.	Not applicable	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.
	Comment: DW-Shop does not source via agents. DW-Shop employ local staff but they are on the payroll of company. Local staff has been informed about FWF membership and support implementation and coordination in the production countries.		
4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume).	0%	Lack of knowledge on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.
	Recommendation: DW-Shop is producing lots of products in India, China and Turkey where FWF offers the Workplace Education Programme. It is strongly recommended to enroll factories to this programme.		
4.5 Factory participation in trainings (where WEP is not offered; by production volume).	Not applicable	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.

Training & Capacity Building Comments

Information Management

Performance Indicators	Result	Relevance of Indicator	Documentation
5.1 Supplier register for the previous financial year is verified as being complete and accurate.	Yes	Any improvements to supply chains require affiliates to first know all of their suppliers.	Completed supplier register; Financial records of previous financial year.
5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.
Comment: All employees have access on the company's server to look up the status of social standards at each production site. Staff in direct contact are regularly informed about the status of compliance.			

Information Management Comments:

No additional subcontractors have been found at the production sites during audits conducted by FWF.

Transparency

Performance Indicators	Result	Relevance of Indicator	Documentation
6.1 Communication about FWF membership adheres to the FWF communications policy.	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.
6.2 Affiliate engages in advanced reporting activities.	No	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.
	Recommendation: DW-Shop is recommended to publish e.g. the Brand Performance Check, audit reports or the supplier list on their website.		
6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for brands to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.

Transparency Comments:

Evaluation

Performance Indicators	Result	Relevance of Indicator	Documentation
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management.	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.
	Comment: FWF membership is evaluated with the CEO at the end of the financial year and before the start of writing the social report.		
7.2 Percentage of required changes from previous Brand Performance Check implemented by affiliate.	Not applicable	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Adherence to these requirements is an important part of FWF membership.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.
	Comment: As this is the first Brand Performance Check FWF conducts at DW Shop, this indicator is not applicable.		

Evaluation Comments:

Comments to FWF

This area provides an opportunity for affiliates to provide feedback to FWF.

DW-Shop would appreciate more time for discussions during the next multi-stakeholder meeting in Germany.

Appendix 1: FWF Audit Finding Summary by Country

This chart summarizes the number of time each finding was reported during an FWF Audit in each country.

	China	India	Turkey
Total Number of Audits:	2	3	1
Standard Findings			
Sourcing practices	August 2013		
According to the supplier the prices of the affiliate do not support the payment of living wages.	2		1
No areas for improvement		3	
Monitoring system			
The FWF affiliate has not provided FWF Code of Labour Practices to the factory.	1		
No areas for improvement	1	3	1
Management system of factory to improve working conditions			
The factory has not posted the Code of Labour Practices in local language with the contact details of the local complaints handler at an easily accessible location for workers.	1	2	
The factory has coached workers and / or falsified documents in preparation of the audit			1
No areas for improvement		1	

Other	2: Subcontractors are not informed about the CoLP. 1: A lump sum commission charge of 20 RMB/month will be imposed if workers do not use the canteen and dormitory services provided by the factory.		
Communication and consultation			
Management has not informed workers actively about the FWF Code of Labour Practices and / or relevant national or local legislation.	1	1	
There is no effective internal grievance mechanism in place.	2		
There are no democratically elected workers' representatives.		1	
No areas for improvement			1
Other	2: Workers complain about low quality of food in the canteen and low wages.		
Employment is freely chosen			
No areas for improvement	2	2	1
No discrimination in employment			
No areas for improvement	2	1	1
No exploitation of child labour			
No areas for improvement	2	3	1
Freedom of association and the right to collective bargaining			
The factory does not allow trade unions to approach workers.		1	

There is no independent workers' organisation or union, which is run by workers without management's involvement.	2		
No areas for improvement		1	1
Other		1: Management believes that it is against culture and ethos at the factory to allow unions within the township	
Payment of a living wage			
The factory is not transparent regarding wage records.	1		1
Wages are below living wage level as estimated by local stakeholders.	2	1	1
The factory delays paying workers' wages.	1		
The factory does not pay leaves and benefits to workers according to legal requirements.	2	1	
The factory does not pay overtime premium to workers according to legal requirements.	1	1	
No areas for improvement		2	
Reasonable hours of work			
The factory is not transparent regarding overtime records.	1	2	

<p>Excessive overtime was found: <i>please specify:</i></p>	<p>1: Overtime hours for some workers in peak season (Jun to Oct 2012) are 4 up to 5 hours a day. In peak season (Jun to Oct 2012) exceed the limit of 60 hours (e.g. 75 - 84); 1: Monthly overtime hours for most hourly rate workers in peak season are around 130 hours. Weekly working hours of the hourly rate workers are around 65 hours up to 77 hours. Hourly rate workers do not receive at least one day off in a 7-day period and the consecutive working days are from 13 days up to 30 days.</p>	<p>1: There have been instances of work on Sundays - following which no day off was given</p>	
<p>Other</p>			<p>1: Inconsistency was observed regarding working hours of the factory. Since the factory did not provide real set of timecard and payroll records; working hours and payment of wages issues could not be fully verified.</p>
<p>Safe and healthy working conditions</p>			
<p>Critical/minor issues regarding fire safety are found</p>	<p>2</p>	<p>3</p>	<p>1</p>
<p>Critical/minor issues regarding chemical safety are found</p>	<p>2</p>		<p>1</p>

Critical/minor issues regarding machine safety are found		2	1
Critical/minor issues regarding electrical safety are found		3	
Critical/minor issues regarding ergonomics are found	2	3	
Other	1: Sanitation conditions at toilet and drinking water areas are poor.	2: No anti-harassment committee as per law.; 2: Housekeeping is insufficient.	
Legally binding employment relationship			
The factory does not provide contracts or appointment letters to workers.		2	
Not all social security or insurance fees are paid	2	1	1
Individual personnel files are incomplete		1	1

