



Fair Wear Foundation

## Management system audit report

Switcher

14 December 2010

*FWF member since: 15 December 2006*

### ***Sources of information***

Database FWF

Annual report and work plan

Archived documents

Interview with Patrick Headon (CEO)

Interview with Gilles Dana, Danièle Buonocore (CSR department)

Interview with Séverine Meier (Responsible for product department)

Interview with Dieter Härle (Procurement manager)

Audit conducted by:

Juliette Li



Fair Wear Foundation

Index

Introduction	3
Executive summary	4
Positive findings	5
1. Sourcing	5
2. Coherent system for monitoring and remediation	6
3. Complaints procedure	7
4. Improvement of labour conditions	8
5. Training and capacity building	10
6. Information management	10
7. Transparency	11
8. Management system evaluation and improvement	11
9. Basic requirements of FWF membership	11
10. Recommendations to FWF	12



## Introduction

In December 2010 Fair Wear Foundation (FWF) conducted a management system audit (MSA) at Switcher SA (hereafter Switcher). The MSA is a tool for FWF to verify that Switcher implements the management system requirements for effective implementation of the Code of Labour Practices (CoLP), as specified in the FWF Charter.

Starting point for the MSA has been Switcher's work plan for 2010. FWF tailored the MSA to the specifics of the management system of Switcher in order to assess the key issues of interest. During the MSA, employees of Switcher were interviewed and internal documents have been reviewed.

FWF developed this report on the basis of findings collected during the previous audits and the MSA. The report contains conclusions, requirements and recommendations. If FWF concludes that the management system needs improvement to ensure effective implementation of the Code of Labour Practices, a requirement for improvement is formulated. The implementation of required improvements is mandatory under FWF membership. In addition, FWF formulates recommendations to further support Switcher in implementing the Code of Labour Practices. The numbering of the requirements and recommendations correspond with the numbers of the conclusions.

This report focuses on those aspects of the management system of Switcher that have been identified as key areas of interest for 2010. As FWF approaches the implementation of the Code of Labour Practices as a step-by-step process, it is well possible that MSA reports of subsequent years will focus on different aspects of the management system.

FWF will publish the conclusions, requirements and recommendations of all MSAs on [www.fairwear.org](http://www.fairwear.org). The transcripts of interviews and detailed findings from document review will remain confidential. FWF encourages Switcher to include information from the MSA report in its annual social report.



## Executive summary

Switcher SA (hereafter: Switcher) is in the process of implementing most of FWF's management system requirements. Switcher had experienced a major organisational change in 2010. Although Switcher has not been able to implement all strategies planned in its work plan, it has audited 75.56% of its total turnover from 2008-2010. With the 4.71% production in low risk countries, Switcher is considered to have monitored 80.27% of its total turnover. Therefore, Switcher should organise more audits to reach FWF's requirement of 90% in 2011.

Working with fewer suppliers allows Switcher to focus on stabilising business relationship and improving labour conditions in the supply chain. Switcher has managed to decrease the number of suppliers from over 30 to 21 in 2010. Switcher also has a formal sourcing policy including FWF's Code of Labour Practices (CoLP). And the company requires all their suppliers to sign a sustainability agreement. Approximately 67% of Switcher's turnover is produced at factories with long term relationships.

FWF has not received any complaints from workers at supplier factories of Switcher. It was found in previous audits that the workers information sheets including contact details of local complaints handlers have not been posted in four factories.

FWF conducted a verification audit at a supplier in China in January 2010. A workers training was carried out in the same factory in August 2010. The supplier has given positive feedback on the programme.

FWF commented that Switcher could demonstrate more effort in supporting suppliers to improve working conditions.

Staff of Switcher and manufacturers are systematically informed about FWF's requirements for affiliates.

The supplier register submitted to FWF was updated and accurate. Switcher had abandoned its old internal information system. The company is now in the process of implementing an external information management system.

Switcher informs the public actively about its FWF membership. It evaluates its approach to improve working conditions on an ongoing basis.



## Positive findings

### *Conclusions*

1. Switcher decreased the number of suppliers from over 30 to 21 in 2010, which contributes to better monitoring of working condition and enhancing implementation of CoLP. About 67% of Switcher's turnover is produced at factories with long term relationships.
2. Switcher signs a formal sustainability agreement with all suppliers. The sustainability agreement includes the commitment and action plans of manufacturers on the implementation of FWF's Code of Labour Practices.
3. Switcher is transparent on its supplier register. Names of the main suppliers are provided in its annual social report. Consumers can trace the production site of a certain product via [www.respect-code.org](http://www.respect-code.org).

## 1. Sourcing

### *Conclusions*

1. Switcher is in process of implementing FWF's management system requirements on sourcing. Switcher has required all its suppliers including potential new suppliers to sign a sustainability agreement. The document includes sustainability requirements, purchasing conditions and action plans of manufacturers to improve labour conditions. The implementation of FWF Code of Labour Practices (CoLP) is part of the agreement. The agreement is reviewed and updated annually.
2. Switcher had decreased the number of suppliers from over 30 to 21 in 2010, which contributes to better monitoring of working condition and enhancing implementation of CoLP. Switcher maintains relationships with seven suppliers for more than five years. These suppliers account for about 67% of Switcher's turnover.
3. 47.5% of Switcher's turnover is produced in its main supplier, the Prem Group in India, which has worked with Switcher since 1981 and recently become the company's investor. 95.29% of Switcher's turnover is produced in India, Romania, China, Bangladesh, Turkey and Taiwan. The rest is sourced from Portugal, which is considered a low risk country according to FWF's current policy.
4. In practice, more orders have been given to long-term suppliers because they have achieved a number of improvements in the workplace. Although there is no written policy or a formal system, Switcher intends to reward suppliers which perform better in social compliance. According to Switcher, it will suspend an order if suppliers do not deliver social compliance results as expected.
5. There is an informal forecasting system with suppliers to facilitate their planning. Suppliers also inform Switcher when they expect extra production capacity during the year. Switcher will consider placing orders at those factories during their low seasons aiming to avoid overtime.
6. Switcher has a standard lead time for material and production. Suppliers are always given 50 days for production starting on the date when the order is confirmed. Due to the style of the products, Switcher does not place re-orders. Switcher believes that its

lead time is enough for suppliers and there is little room to increase it.

7. Living wages are no formal issue of concern for Switcher staff during negotiation with suppliers. Legal minimum wage is the basic requirement for Switcher. As much as Switcher is willing to pay extra amount to ensure living wage, the company finds it difficult to monitor if the payment goes directly into the pockets of workers.
8. Excessive overtime work was found in a Chinese supplier during both audits carried out by FWF in January 2010 and ACTE in May 2009. Minimum wage was paid at all Switcher suppliers audited by FWF. Overtime work was not always paid according to local legal requirements. FWF cannot conclude that Switcher has made sufficient effort to support suppliers in reducing excessive overtime.

### ***Recommendations***

4. A formal incentive system could be established to demonstrate Switcher's commitment to support with suppliers on social compliance and motivate suppliers. An incentive system could promise benefits, such as an increase in order, higher price or lead time flexibility, if a supplier reaches certain goals and achievements. An evaluation on performance could be done annually specific to each supplier. Switcher could embed this system with the sustainability agreement to minimise administration cost.
7. Living wage is an important part of the CoLP. It has not been fully realised in most export oriented factories in production countries. FWF is developing a tool, the wage ladder, to facilitate negotiation between brands and their suppliers. It demonstrates wage gaps and suggests realistic goals for suppliers. The tool will be available in March 2011. FWF is also in discussion with local stakeholders on how to improve complaints handling system to be able to monitor wages levels. Switcher is recommended to use the wage ladder to assess the level of wages in its suppliers and discuss solutions. FWF is available to provide further support.
8. Since overtime work still exists in suppliers of Switcher, it is recommended that Switcher conducts a root cause analysis together with suppliers where excessive overtime is found. If main cause of overtime is due to internal management problems in factories, such as lack of proper production planning and ineffective production line arrangement. Switcher could support the factory by using training services of FWF service providers and/or local consultancies. FWF can recommend partner organisations upon request. In some cases, overtime is caused by short notice from buyers. Switcher could support the factories by contacting and discussing with other customers to forecast production.

## **2. Coherent system for monitoring and remediation**

### ***Conclusions***

1. Switcher is in process of implementing FWF's management system requirement on coherent system for monitoring and remediation. Although Switcher has not been able to implement all strategies planned in its work plan due to organisational change, 75.56% of its total turnover has been audited from 2008-2010. With the 4.71% production in low risk countries, Switcher is considered to have monitored 80.27% of its total turnover, which has not reached the threshold of 90% as required by FWF after being a member for more than 3 years.



2. Less than 5% of Switcher's turnover is sourced from Portugal. The suppliers have filled in FWF's questionnaire and signed sustainability agreement. Switcher has required suppliers to post the workers information sheet at the factories.
3. There is a designated person in Switcher headquarter to follow up on Corrective Action Plans (CAPs). A local CSR manager is assigned to overlook social compliance issues in India where Switcher's most important supplier is located. The local CSR manager is certified as a SA8000 lead auditor. CAPs are being followed up via emails and phone calls by the CSR department in Lausanne. Switcher has collected follow-up reports of CAPs from its main suppliers on an ad-hoc basis. Detailed improvement points are not specified in the reports.

<b>Requirement</b>
1. After being FWF member for three years, it is required that 90% of the production commissioned by FWF affiliate must have originated in factories which have been audited or from factories in "low risk countries". In addition suppliers of own production which supply over 2% of the total purchasing volume should be also audited. Since Switcher joined FWF in 2006, it should follow the above requirement.

<b>Recommendations</b>
3. CAPs follow-up reports could contain details so as to assess if self assessments by suppliers are correct. It also helps the company to allocate sufficient resources and make cost-effective plans on social compliance. More effective follow up of CAPs could be realised if Switcher's CSR department works closer with the production department. Production managers can be trained to follow up CAPs and report updates to the CSR department. The CAPs excel sheet attached in FWF's audit report could be used by production managers to document improvement and facilitate communication.

### 3. Complaints procedure

<b>Conclusions</b>
<ol style="list-style-type: none"><li>1. There is a designated person to handle complaints received from supplier factories via FWF.</li><li>2. No complaint had been filed to FWF complaints handler since the last MSA in 2009.</li><li>3. Switcher required suppliers to post CoLP with complaints handlers contact details once they sign the sustainability agreement. Audit findings in 2008-2009 in two factories in China and Bangladesh showed that CoLP was not posted. In the other two factories in China and India, the CoLP was posted without contact details of local complaints handler. According to Switcher, CoLP has been posted as part of CAPs follow up.</li></ol>



### **Requirements**

3. It is required to post the contact details of the FWF complaints handler in the workplace of all factories. This information must be available in areas that are freely accessible to workers.

### **Recommendations**

3. In order to monitor working condition effectively, Switcher could request its production manager or buyers to check if CoLP is posted in areas that are freely accessible to workers. A checklist or logbook can be used to follow up and communicate information on CAPs.

## **4. Improvement of labour conditions**

### **Conclusions**

*Based on the results of audits carried out by FWF teams, FWF has drawn up an overview of labour conditions in factories. The overview is annexed to this report. (The overview remains the same as in the MSA report 2009, as no new FWF audit has been conducted.)*

1. Switcher is in process of implementing FWF's management system requirement on improvement of labour conditions. Due to budget constraint in 2010, Switcher was not able to carry out audits and support suppliers as it had expected. As the company reduced the number of its suppliers, follow-up of CAPs was only limited to main suppliers where Switcher expects further business relationship.
2. Switcher has conducted one audit and one workers training at the same supplier in China. The audit in January 2010 found no violation on child labour, forced labour and discrimination.

There was a union in the factory, which was not in function. Workers committee members did not know about their responsibilities and their own participation.

Minimum wage was paid but overtime was not compensated in accordance to the law. Timekeeping was not properly documented. Some legal holiday leaves were not paid. Signatures on wage receipts were not responding with workers' own signature.

Total number of working hours has exceeded 60 hours per week. The factory could not ensure that workers have at least one day weekly off regularly.

There were several occupational health and safety problems. Major non-compliances were: some fire extinguishers were not conveniently located; lights in the storage department were not protected; there was no specifically allocated space for using cleanser spray.

FWF's CoLP was not posted in the factory.
3. A workers training was conducted in the above factory in August 2010. The factory reported to Switcher that it had made sufficient effort to improve the situation. It has posted the names and responsibilities of the union leaders. A notice board was established for the union to make announcement.

The factory had made several measures to ensure workers receive correct wage, including giving back owed holiday pay and building a system to collect right signature for receiving salary.

No details regarding reducing overtime were reported by the factory.

According to the management, non-compliances concerning OHS were solved immediately after the last audit in January.

Switcher's Code of Conduct was posted in the factory but FWF's CoLP and local complaints handler's contact were not seen in the report sent by the factory.

Since the information was provided by the factory without the support of a third party audit, FWF could not conclude that all CAPs have been followed up.

4. The main supplier in India has become Switcher's shareholder in 2010. This supplier owns four CMT facilities, while Switcher's production will be limited to one facility, which has obtained a SA8000 certificate. FWF was informed by stakeholders in June during the consultation that forced labour, especially in the form of Sumangali Scheme, is widely spread in the region of Tirupur and Coimbatore. The scheme is prevalent in spinning and knitting mills, while more forms of forced labour are found in CMT factories. Switcher has noted the situation and is willing to work with FWF to prevent and eliminate forced labour. Switcher has committed itself to a pilot with Fairtrade Labelling Organizations International (FLO) and FWF to explore the possibilities to monitor working condition further down the supply chain in 2011 and 2012. Ginning, spinning, knitting, dyeing and CMT unites, where Fairtrade certified cotton is processed, will be audited by FWF method.
5. Switcher believed that the working condition in the three Chinese factories audited in 2008-2009 has been improved, while no detailed information was available during the time of this MSA. Switcher is in the process of phasing out the two factories in Bangladesh, thus no follow-up was made. Information about labour conditions based on those audits was published in MSA report 2009.

### ***Recommendations***

1. It is recommended that Switcher makes a strategic plan with long-term goals to cover more factories where non-compliance was found. Before ending business relationships, performance in social compliance should be taken into account. It is recommended that Switcher continues its relationship with suppliers who have full commitment and have taken action to implement CoLP.
- 2, 3, 5. Reports from factory managers are an important source of information on follow-up of CAPs. However, the information needs to be verified by designated person in Switcher or via audits which meet FWF standards. Switcher could strengthen its monitoring and remediation by working with FWF's local service provider. Local service providers have good knowledge of local labour regulations, are familiar with stakeholders and have local access to factories. Another option is to train Switcher's own production staff who pays sufficient visits to manufacturers on CoLP. The advantage of this approach is that production staff can include CAPs into negotiation, which gives leverage to social compliance issue.
4. Switcher could discuss with its partner in Tirupur to identify areas where the factory could be supported. Paying living wages and providing permanent employment contract are recommended measures to prevent and eliminate forced labour. FWF has written articles on the causes, current situation and recommendations to guide companies sourcing in Tirupur/Coimbatore. The reports are available on FWF's



website.

## 5. Training and capacity building

<b>Conclusions</b>
<ol style="list-style-type: none"><li>1. Staff of Switcher is sufficiently informed about FWF's membership and the implementation of the Code of Labour Practices through company meetings and publications.</li><li>2. Manufacturers are systematically informed about FWF membership and the implementation of the Code of Labour Practices via signing the sustainable agreement.</li><li>3. Switcher has organised a worker's training in August 2010 with a NGO that is an important stakeholder of FWF in China. According to the supplier, the training has initiated good communication between management and workers. As a result, a high number of workers have returned to the factory after the long national holiday break, which significantly reduced labour turnover.</li></ol>

<b>Recommendations</b>
<ol style="list-style-type: none"><li>1. Switcher could organise more trainings in the suppliers to inform workers about FWF's Code of Labour Practices. Factory training can effectively raise awareness on labour rights among employers and employees. It can increase the commitment of suppliers to implement FWF CoLP.</li></ol>

## 6. Information management

<b>Conclusions</b>
<ol style="list-style-type: none"><li>1. The supplier register submitted to FWF was updated and accurate. Full detailed information of each supplier has been available in the supplier register. There is a designated person to update the supplier register.</li><li>2. Data on CAPs follow-up is not complete. Switcher had abandoned its old internal system, as it did not compatible with FWF's requirement. There is a lack of information exchange between the CSR department, production department and procurement department regarding follow-up on CAPs.</li><li>3. Switcher plans to use the Sedex system to monitor CAPs in 2011. Relevant staff will be trained to use the system in January.</li></ol>

<b>Recommendations</b>
<ol style="list-style-type: none"><li>2. FWF recommends Switcher to develop a new system to record and manage information on suppliers. It could be effective to enhance information exchange among CSR, production and procurement departments. Switcher could establish a routine for production staff to follow up CAPs during their field trip to the suppliers. Staff from the three departments could access to information about the suppliers and take action when needed. Before the new system is in place, Switcher could use</li></ol>



FWF's CAPs excel form as a temporary tool to record follow-up status in order to avoid loss of information.

## 7. Transparency

<b>Conclusions</b>
<ol style="list-style-type: none"><li>1. Switcher informs the public about its FWF membership via the corporate website, brochures in shops and its catalogue. Information about FWF membership is posted on the website in correct wording.</li><li>2. Switcher is transparent on its supplier register. Names of the main suppliers are provided in its annual social report. Consumers can trace the production site of a certain product via <a href="http://www.respect-code.org">www.respect-code.org</a>.</li></ol>

## 8. Management system evaluation and improvement

<b>Conclusions</b>
<ol style="list-style-type: none"><li>1. The CSR department discusses and evaluates the implementation of CoLP and follow-up on CAPs on an ongoing basis as part of its daily work. Top management is occasionally informed about key issues. There is no formal system to evaluate the effectiveness of the approach to improve working conditions in factories and for adapting measures if needed.</li><li>2. Feedback from manufacturers is collected occasionally. Data is not recorded or used systematically.</li></ol>

<b>Recommendations</b>
<p>1-2. Switcher is advised to carry out a formal evaluation at least on an annual basis to assess if the process of improving working conditions in factories is practical and cost effective. The management system audit report could be used as input for such an evaluation. FWF recommends that minutes of meetings during which the process of improving working conditions is discussed be kept, in order to facilitate decision making and strategic planning.</p>

## 9. Basic requirements of FWF membership

<b>Conclusions</b>
<ol style="list-style-type: none"><li>1. Switcher SA meets the basic requirements of FWF membership for 2010: the membership fee has been paid and a work plan for 2010 has been handed in.</li></ol>



## 10. Recommendations to FWF

### *Recommendations*

1. Based on previous experience, Switcher recognised that issues regarding overtime and wage payment are the most difficult to tackle in factories. Thus it recommends FWF to offer members with follow-up assessments (or small-scale audits) focusing on overtime and wage.
2. It would be very useful if FWF could develop tools to assist member companies to monitor and control overtime and wages. The tools should be user-friendly and practical. Members could be instructed how to use them.
3. FWF should improve its public communication strategy. It could use simple messages to inform consumers on what FWF means. A set of words or slogans might not be able to describe FWF completely, but it could help to raise interest among consumers.
4. FWF should consider developing an information system for members to use. One option is that FWF works with Sedex and customise it for members. FWF could also develop its own information management system to follow up CAPs. Different initiative has different focus and requirements. A good system will actually help members to improve their internal management system to implement CoLP.

## China (supplier 1)

Improvement of labour conditions: summary of most important findings	Summary of most important findings from audit (May 2009) carried out by ACTE in China on behalf of Switcher SA	Summary of most important findings from audit (Jan 2010) from audit by FWF to verify improvements in working conditions in a factory that has been audited on behalf of Switcher SA in 2009.
<b>Workers interviews</b>	The audit reports mention that worker interviews were carried out, but does not specify how many workers were interviewed and if this was done inside and/or outside the factory.	Workers were interviewed prior to the date of the audit. Individual meetings were held with them outside the factory premises outside the working hours. In addition, an hour-long meeting was held with randomly selected workers of the factory.
<b>Documentation</b>	Absence of transparent and accurate documents and production records for working hours.	No non-compliances found.
<b>Sourcing practices (price, lead-time, quality requirements)</b>	Not part of this audit.	The factory appreciates the efforts of Switcher SA to invest in working conditions in this factory.
<b>Monitoring system of FWF member company</b>	Not part of this audit.	Switcher SA audited this factory in 2009. Representatives of Switcher SA visit the factory on a regular basis. The Code of Labour Practices of FWF/Switcher which is posted in the work place does not include the contact details of the FWF complaints handler.
<b>Management system factory to improve labour standards</b>	Not part of this audit.	The factory has a designated person for social compliance issues.
<b>Communication, consultation and grievance procedure</b>	Not part of this audit.	The factory recently established a union branch.
<b>Employment is freely chosen</b>	No non-compliances found.	No non-compliances found.
<b>No discrimination in employment</b>	No non-compliances found.	No non-compliances found.
<b>No exploitation of child labour</b>	No non-compliances found.	No non-compliances found.

<b>Freedom of Association and the Right to Collective Bargaining</b>	No non-compliances found.	No non-compliances found. It is recommended to post the minutes of meetings and names of representatives on the notice board.
<b>Payment of a Living Wage</b>	No non-compliances found.	Minor mistakes in wage calculations were found.
<b>No excessive working hours</b>	Workers do not structurally get one rest day per week.	No weekly rest day guaranteed during high season. Incidental excessive overtime during high season. The correct premium for overtime on public holidays is not always paid.
<b>Occupational health and safety</b>	There are no smoke detectors and sprinklers in the fabric warehouse. Insufficient amount of workers received first aid training.	Spray cleaner is not used in a ventilated area. Some fire extinguishers were blocked.
<b>Legally binding employment relationship</b>	No non-compliances found.	No non-compliances found.
<b>Special remarks</b>	The audit reports contain information on the actions taken by the factory to implement improvements on the above mentioned issues after the audit.	Switcher SA invests strongly in the quality of the relationship with this supplier. The factory is involved in the process of product development, which entails positive results for the process of improving working conditions

## China (supplier 2)

Improvement of labour conditions: summary of most important findings	<b>Summary of most important findings from audit (Oct 2008) on behalf of FWF to verify working conditions.</b>
<b>Workers interviews</b>	20 workers were interviewed prior to the date of the audit, of which 6 in detail. Auditors held an hour-long meeting with a group of 20 workers randomly chosen by auditors on site. Short interviews were also conducted with the workers when they were filling in the survey.
<b>Documentation</b>	Records on working hours are not accurate for all departments.
<b>Sourcing practices (price, leadtime, quality requirements)</b>	Unstable orders of clients of the factory impacted on production planning and budgeting by the factory
<b>Monitoring system of FWF member company</b>	FWF Code of Labour Practices is not posted at the factory.
<b>Management system factory to improve labour standards</b>	not part of this audit.
<b>Communication, consultation and grievance procedure</b>	not part of this audit.
<b>Employment is freely chosen</b>	Overtime is mandatory in some cases.
<b>No discrimination in employment</b>	No non-compliances found.
<b>No exploitation of child labour</b>	One worker below the age of 16 was found working in the factory during the audit. After discussions with the child worker, her mother and the factory, it was agreed that the child worker will remain in the factory but is absolutely not allowed to work until the date of her 16 birthday. The factory would continue paying the child worker her average wage until she turns 16. The child worker would be enabled to stay in the dormitory to join training classes in the factory. The complaints handler of FWF in China kept in touch with the worker and her family. FWF verified that the worker got paid and was offered a new contract after turning 16.

<b>Freedom of Association and the Right to Collective Bargaining</b>	Workers are not aware of the role of the workers' committee and the union, and do not know how to bargain collectively
<b>Payment of a Living Wage</b>	Piece rate workers do not receive paid national holidays. Workers do not receive a pay slip and do not understand how their wages are calculated. The monthly date for paying workers wage is not punctual.
<b>No excessive working hours</b>	Workers are in general working 8 hours plus 1 hour overtime per day, 6 days a week. Overtime work of some workers is not completely recorded.
<b>Occupational health and safety</b>	Various problems found with regard to machine safety.
<b>Legally binding employment relationship</b>	Workers do not understand the content of their labour contract.
<b>Special remarks</b>	After the audit FWF received detailed information from Switcher SA on the actions taken by the factory to implement improvements on the above mentioned issues.

**India:**

<b>Improvement of labour conditions: summary of most important findings</b>	<b>Summary of most important findings from audit (March 2008) on behalf of FWF to verify working conditions.</b>
<b>Workers interviews</b>	Five workers were interviewed prior to the date of the audit. Individual meetings were held with them outside the factory premises outside the working hours. Interviews were also conducted with about 15 workers on the shop floor on the days of the visit to the factory.
<b>Documentation</b>	Worker records are not complete.
<b>Sourcing practices (price, leadtime, quality requirements)</b>	none.
<b>Monitoring system of FWF member company</b>	As this unit was relatively new Switcher SA it had not yet been audited by Switcher SA.
<b>Management system factory to improve labour standards</b>	The social compliance officer of Prem Group visits this factory frequently. The unit has a grievance handling manager. The factory has displayed the Switcher codes of labour practices in English and in the local language in one place.
<b>Communication, consultation and grievance procedure</b>	There is no contact number for facilitating complaints mechanism and overall code awareness is poor.
<b>Employment is freely chosen</b>	No non-compliances found.
<b>No discrimination in employment</b>	No non-compliances found.
<b>No exploitation of child labour</b>	No non-compliances found.
<b>Freedom of Association and the Right to Collective Bargaining</b>	In February 2008 workers' committees have been formed with representatives of workers' choice. However, worker representatives were found to have little knowledge of their duties.
<b>Payment of a Living Wage</b>	Wages paid are above the legal minimum wage, but below the CBA wage of Tiruppur Exports Association (TEA).



<b>No excessive working hours</b>	No non-compliances found.
<b>Occupational health and safety</b>	Provision and use of PPE is inadequate. Machine guards are also not adequate. Other major issues include non-availability of crèche, canteen, shelter/restrooms, ambulance room with nurse.
<b>Legally binding employment relationship</b>	No non-compliances found.
<b>Special remarks</b>	none.

## Bangladesh:

<b>Improvement of labour conditions: summary of most important findings</b>	<b>Summary of most important findings from audit report carried out by ACTE in China by Switcher SA in April 2009</b>
<b>Workers interviews</b>	The audit reports mention that worker interviews were carried out, but do not specify how many workers were interviewed and if this was done inside and/or outside the factory.
<b>Documentation</b>	No records were provided on overtime hours.
<b>Sourcing practices (price, leadtime, quality requirements)</b>	Not part of this audit.
<b>Monitoring system of FWF member company</b>	The FWF Code of Labour Practices or the Code of Conduct of Switcher were not posted in the workplace. There is no real awareness of the Code of Labour Practices among workers.
<b>Management system factory to improve labour standards</b>	Not part of this audit.
<b>Communication, consultation and grievance procedure</b>	Not part of this audit.
<b>Employment is freely chosen</b>	No non-compliances found.
<b>No discrimination in employment</b>	No non-compliances found.
<b>No exploitation of child labour</b>	No non-compliances found.
<b>Freedom of Association and the Right to Collective Bargaining</b>	No non-compliances found.
<b>Payment of a Living Wage</b>	Working on holidays is not compensated with substitute leave.
<b>No excessive working hours</b>	Excessive overtime was found during evenings until 22.00hrs.
<b>Occupational health and safety</b>	No non-compliances found.
<b>Legally binding employment relationship</b>	No non-compliances found.
<b>Special remarks</b>	None.