

MUD JEANS
Audit Report
YOUSSTEX
TOUZA/MONASTIR/TUNISIA

28-29 May 2015

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Audits conducted by Fair Wear Foundation provide an assessment of the factory's compliance with FWF's Code of Labour Practices, and provide a basis for corrective actions when necessary. FWF does not certify factories, and this report should not be interpreted as certification of the factory by FWF.

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1. The audited company

1.1. Name & address, contact person management

The registered office of the company is located at:

Avenue de la liberté Route de Moknine 5023 Touza, Monastir , Tunisia.

The factory that was audited is situated at Avenue de la liberté Route de Moknine 5023 Touza, Monastir , Tunisia.

The following are the contact persons:

M. Habib Ben Mansour - General Manager

Miss. Mansoura Hassine - The Human Resources Manager

Miss. Samia Sfaxi - Manager

Miss Ons Beizik- Accounting Manager

1.2. Short history

Date of establishment:

November 2007

YOUSSTEX International is a second company created in 2013 for tax purposes

Year of starting business with FWF affiliate:

April 2015 for sampling collection

Workforce turnover rate in recent years (in percent):

In 2015, about 151 workers were hired and about 49 workers were fired. In 2014, 243 workers were fired. This turnover of contractual workers is due to:

- Low activity period
- Workers that reach 4 years experience leave the factory to avoid permanent contracts
- Many workers were transferred to Yousstex International.

On the other hand, we noticed that management is preparing an important increase of production by implementing a washing unit.

From 2008 to 2011 the factory employed about 600 workers.

1.3. Ownership of the company

YOUSSTEX is a limited company owned by Mr Habib Ben Mansour and Northword.

1.4. Workforce

	Total No.	Female No.	Male No.
Total number of employees	380	361	19
Management and staff	25	19	6
Production workers	355	342	13
Apprentices	41	41	0
Juvenile workers	1	1	0
Migrant workers	0	0	0
Pregnant/ maternity leave	7	7	0
Employees paid by time rate	380	361	19
Employees paid by piece rate	N/A	N/A	N/A
Permanent employees	70	66	4
Fix-term employees	310	295	15
Interim agency workers	N/A	N/A	N/A
Workers employed by sub-contractors	280	?	?
Home workers	N/A	N/A	N/A
Other: Yousstex International	160	157	3

1.5. Production process

Processes that take place in the factory:

Factory produces jeans and the main production processes include drawing, cutting, ironing, sewing, finishing, embroidering and packaging.

The factory is setup a dyeing unit, washing unit and special effects unit.

The audited factory consists of three buildings with:

First building: Sewing, embroidering, cutting, canteen, cutting unit, administration, drawing unit, warehouse. On the first floor is Yousstex International.

Second Building: Washing, dyeing unit and special effects unit that is not in production yet.

Third building: Finishing and packaging unit but not in production yet.

Kind of machines in use:

Sewing machines are mainly used in the factory with periodical check and maintenance. There are also buttonhole, smooth ironing, band-saw machines, cutting machines, embroidering machines, electric saw and spreader truck.

The new units of washing and special effects include Lazer Robot, laundry machines, drying machines and Ozene machines.

Set up of production lines:

There is sewing workshop with six linking lines including cutting unit, finishing unit, control, embroidering and packing. The new units for washing and special effects are not in production yet.

Production planning system:

The monthly capacity of the factory is around 90,000 pieces. There is currently only sampling production for MUD JEANS.

Export day is Friday.

Products made within factory:

Jeans

1.6. Clients

The company produces goods for:

The factory produces for MIC, a platform in Bizerte that has the following clients:

PEPE JEANS

MUSTANG

DRYKORN

TOMMY HILIFIGER

LEE COOPER

SWIFT

MARCO POLO

MUD JEANS, 0% of production

1.7. Previous audits on social standards

Factory audits done by Fair Wear Foundation: This is the first social audit initiated by both FWF and MUD JEANS to monitor the labour standards.

Factory audits done by other initiatives:

Audit were done before by other initiative:

One social audit was conducted by Intertek in December 2014 for Swift & Tismade.

One social audit conducted by PVH in May 2015 for Tommy Hilfiger and Calvin Klein.

1.8. Subcontracting

The company uses the following subcontractors:

- Washing: done at PGT
- The number of workers is 250
- Printing: factory name Universal Colors
- The number of workers is about 30.
- It has not been part of the audit and was not informed about the code.

1.9. Extras

The company provides the following extras:

- The company provides transportation workers by nine buses.
- There is air conditioning in all production units.
- The management seems to be very attentive to social aspects and to improve working conditions with the top level of labour and production standards

2. The audit process

2.1. Members of the audit team

Mr. Kais Fekih, audit team supervisor and document inspector

Ms. Amel Ben Zakour, workers interviewer

Dr. Houyem Guellouze, OHS inspector

A representative from MUD JEANS was present to observe the audit.

2.2. The process of auditing

The audit team met with good co-operation from the management, workers and all other consulted persons and organizations. Whatever information was requested was provided (except for some records, which are listed on point 2.6). The audit team finds that the audit process has yielded sufficient reliable information to be able to draw conclusions and establish requirements on most issues. However, the audit team cannot rule out the possibility of there being issues of non-compliance that have not been reported in this audit report.

2.3. Time schedule

The audit was conducted on 28-29 May 2015.

Initial workers interviews were held in the same month.

Thereafter the audit team visited the factory premises on 28-29 May 2015 when the inspection of the factory, the management interviews, the document inspection and more worker interviews were conducted.

2.4. Interview with members of management

The audit team met and had detailed discussions with:

M. Habib Ben Mansour - General Manager

Miss. Mansoura Hassine - The Human Resources Manager

Miss. Samia Sfaxi - Manager

Miss Ons Beizik- Accounting Manager

2.5. Interviews with workers

Eight workers were interviewed prior to the date of the audit. Individual meetings were held with them outside the factory premises outside working hours. The workers were guaranteed that their employer would not know the identity of the interviewees. (More details of the profile of these workers cannot be divulged for purposes of confidentiality). Short interviews were also conducted with the workers on the shop floor on the days of the visit to

the factory - these were aimed at eliciting technical details that came up during the audit.

In addition, an hour-long meeting was held with 30 randomly selected workers of the factory. This group included workers from different categories and there were both men and women who attended the meeting. In addition, meetings were held with 33 randomly selected workers of the factory specifically about health and safety.

All interviews were conducted in the absence of any staff or management representatives, assuring the respondents total confidentiality of the views that they expressed. Copies of the translated version of the information sheet for workers were distributed and pasted on each notice board, and an oral explanation was given particularly to interviewed workers.

The information sheet suggested to workers that they could contact FWF complaint handler in case they needed further information about the audit, or wished to report any complaint or grievance related to working conditions in the audited company. This was also discussed with the management.

2.6. List of documents consulted

General / financial documents:

Proof of registration or factory licenses for operation, employment, etc.	Available
Policy manuals	Available
Information material about Code of Labour Practices and the FWF, used to inform workers and subcontractors	Not kept
Flow chart of the production process	Not kept
Map of the factory, specifying type of operations in every room, including if applicable, the distinctions with other companies/legal entities on the premises	Available
Production records and order records	Available

Labour Issues:

List of all workers, including date of appointment, gender, birth date, function	Available
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Working hours records over the last 3 months, and possibly longer, as to be discussed during the inspection, and an "attendance register"	Available
Overtime register	Available
Records of all employees / personal files specifying names, birth dates (including proof of age), identity document number, sex, function, wage scale, date of employment	Available
Permits for young workers	Available
Leave register, including leave payments Applications for all kinds of leave	Not kept
Grievance files	Not kept
Disciplinary notices	Available
Employee manuals, (certified) standing orders or factory rules	Available
Contracts between management and recruiting agencies	Not applicable
Time cards for all employees. (Digital)	Available
Payroll journals, or wage lists showing base wages, incentive or bonus earnings, gratuity, hours, deductions, net pay and gross pay	Available
All piecework rates and piecework calculations (or other incentive system rates and calculations – base plus, attendance bonuses, quality incentives, etc.)	Available
Payroll deposit slips, payroll checking account ledgers and deposit receipts for tax and benefit deductions	Available
Payroll tax calculations, records and reports	Available
Proof of payment of social security fees	Available

Official authorization for overtime hours	N/A
Copies of pay slips as handed out to workers	Available
Collective bargaining agreement or any other document specifying the working conditions	Available
Employment contracts of all workers	Available
Documentation of elections of workers representatives, either provided by management or the factory union	Not Kept
In cases of 100% union membership: check signatures of workers for agreeing to have union dues subtracted from their wages	Available

Occupational Health and Safety:

Accidents register	Available
Sicknesses register	N/A
Fire certificate	Not applicable
Proof of payment for inspection of fire extinguishers, electric appliances, elevators	Available
Maternity leave register	Available
List of pregnant workers	Available

2.7. List of consulted local stakeholders

- In 2013-2014-2015 FWF consulted following organizations in Tunisia:
- In preparation of the audit, FWF had meetings with:
- An interview was conducted with Mr Chokri Mili (Cell phone number: 95 765 821) the president of the conciliation department in the labor inspection bureau of Monastir

- Questions and discussions were conducted in Arabic. Interviews were focused on labor standards and their degree of appliance in the garment sector. Discussions were also held about the main issue facing companies in the region of Monastir. Yousstex was well graded by labor inspection since there are no complaints from its workers recently. In addition, the manager is well known for his good practices in managing. According to labor inspection representative, the manager had set up a new washing (and dyeing) unit. He prefers having his own unit to using subcontractors which are not delivering good quality. Besides, its unit will respect environmental requirements.
- A previous interview was done with :
- Mr Abada Mahjoub General Director of Labour Inspection
- Mr Samir Ben Abdallah Member of The National Federation of Textile UTICA Questions and discussions were conducted in Arabic.
- Interviews were focused on labor standards and their degree of appliance in the garment sector. Discussions were also held about the main problems facing companies in the region.

2.8. Sourcing practices of the FWF affiliate and other clients

Client	FWF member?	Years in business	Client visits per year	Direct orders? Through export firm?	Number of pieces produced in most recent year	Number of orders of most recent year	Days from order to shipment
TOMMY HILIFIGER	NO	2013	Daily visits of the factory were planned yearly by the client for supplying aims.	Export firm: MIC	Orders confirmed for 35000 pieces		21 days
PEPE JEANS	NO	2013	Daily visits of the	Export firm: MIC	Orders confirmed for		21 days

			factory were planned yearly by the client for supplying aims.		150000 pieces		
DRYKORN	NO	2014	Daily visits of the factory were planned yearly by the client for supplying aims.	Export firm: MIC	Orders confirmed for 50000 pieces		21 days

Other findings:

According to management, the company complies with Tunisian labour legislation.

According to management, brands are not aware about costs that affect social conditions and environmental responsibilities.

According to management, the factory has enough time to plan the production and avoid overtime.

There is not yet any production or financial relation between affiliate and factory.

2.9. Monitoring system of the FWF affiliate to improve working conditions

Interviews with management

- The management stated that the code was not received.
- The code is not posted.
- There is no affiliate monitoring system to improve working conditions.

- The management is not yet completely aware about the FWF global process and usefulness.

Interviews with workers

- All workers are not aware about the Fair Wear code of labour practices.
- Workers still not aware about the audit.

Document inspection

- The management didn't receive the code of FWF.
- There is not yet a monitoring system of affiliated company to improve working conditions of the CAP.
- Some subcontractors that are subsidiaries of YOUSSTEX seem to be involved in the supply chain and are still not aware about the FWF code and were not audited.

Inspection of the work place

- FWF Code of Labour Practices is not posted.

Consultation of local stakeholders

- N/A

2.10. Management system of factory to improve working conditions

Interviews with management

- There are internal manual procedures that deal with basic labour standards.
- The management seems to be very attentive to social aspects and to improve working conditions with the top level of labour and production standards.
- The management has no planning to improve working conditions but improvement actions are conducted by the manager.
- The manager is only responsible for social compliance.
- Workers were informed about the audit.
- Workers were not coached in preparation of the audit.
- The management is not yet aware about the FWF global process and its usefulness.

Interviews with workers

- Workers are not aware about FWF code and its content.
- Workers have a general idea about their rights.
- Workers were not coached in preparation of the audit.

- For workers there is an improvement of working conditions and the most common issue is about wages.
- Workers have no idea about the internal procedures that were posted in the factory.

Document inspection

- Factory maintains good records for workers personal files.
- There is an internal procedure manual that deal with all labour standards specially health and safety, disciplinary procedure and forced labour.
- Factory keeps laws and regulations for references that should include labour law, social insurance law, health and safety law, environmental law etc.
- Generally legal information is given by the chartered accountant of the factory.
- Some subcontractors that are subsidiaries of YOUSSTEX seem to be concerned with the supplying chain and still not aware about the FWF code and were not audited
- There is no yet monitoring system of affiliated company to improve working conditions of the CAP.

Inspection of the work place

- The audited factory is spacious, well maintained in many parts.

2.11. Communication, consultation and grievance procedure

Interviews with management

- The management is aware of the legislation and the CBA.
- There is a consultative committee elected.
- There is a written grievance and complaining procedure.
- There is a written general disciplinary procedure.
- Workers who have problems could complain directly to the general manager.
- There is an internal manual procedure that deals with basic labour standards.
- The collective bargaining agreement is posted.
- The labour law is posted.
- Management state workers have easy access to information of labour laws via their chartered accountant.

- There are no big sanctions against workers.

Interviews with workers

- Workers have no idea about the purpose of the audit.
- Workers are only informed about the CBA grid, which is posted.
- Workers are not aware about the existence of any grievance and complaining procedure.
- The majority of workers are not aware about the existence of the consultative committee elected.
- Workers are not aware about the existence of workers representatives.
- Workers who have problems or requests could talk with either production supervisor or manager.
- Most of the workers are not aware about the existence of box of suggestion.
- Workers have no idea about the internal procedures that were posted in the factory.

Document inspection

- There is a consultative committee elected on November 2008 and renewed by decision since January 2013.
- The consultative committee is not elected every three years and there are no ballot papers.
- Meeting reports of consultative committee are frequent and deal with disciplinary decisions, health and safety and organisation of work (holidays, working hours, etc.).
- There is a consultative committee register.
- Decisions of the consultative committee are not posted.
- There is a health and safety committee chaired by the mechanic.
- In accordance to grievance procedure, the periodical meeting of consultative committee should take place dealing with organisation of work and communication with workers.
- There is a written grievance procedure and workers could complain directly to the manager or HR manager, by oral or written request. The communication procedure allows workers to write all requests using suggestion box that is treated by HR manager twice a week.
- Workers are not allowed to make aggressive requests against manager.

- Concerning disciplinary decisions, workers who have bad quality or bad behaviour were asked to answer questions but no significant sanctions were noticed.
- There is a trade union in the factory elected since December 2014.
- The Human resources manager is the general secretary of trade union.
- There is a written disciplinary procedure with gradual sanctions

Inspection of the work place

- Only the grid of the collective bargaining agreement is posted.
- The Tunisian labour legal basis is posted.
- There is a suggestion box.

Consultation of local stakeholders

- There is no legal progressive disciplinary procedure
- Workers who have problems talk directly to their supervisor or manager and sometime to the labour inspection.
- Companies should have at least 40 permanent employees to create a company consultative committee and between 20 and 39 permanent employees to have an employee representative.
- Less than 40% of the companies in the garment sector have company consultative committee in the region of Bizerte
- Even if the CC exists, its major decisions are disciplinary. It provides a legal framework to take disciplinary actions like lay-off, firing, etc. It is not concerned with issues pertaining to training, work organization, social activities, etc.

3. Detailed findings: Labour standards

3.1. Employment is freely chosen

Interviews with management

- Work is freely chosen, workers are free to leave the factory.
- The factory gives on occasion monthly advances of 20 dinars to 100 dinars.
- The factory does not give loans.
- There is no recruitment procedure. Recruitment requests were posted on internet, the employment office and the external door of the factory.
- Wages are usually paid between 2th and 5th of the following month.
- The time-keeping system is digital.
- Workers receive a payroll, where is mentioned the basic wage and bonus.
- The factory does not use contractors to provide workers.
- Wages are given by bank transfer and two times by cash.

Interviews with workers

- The work is freely chosen.
- The factory don't provide advances.
- The manager don't give loans to workers.
- Workers are free to leave the job.
- Workers are free to leave their workstation.
- Workers state that overtime work is not compulsory.
- Restrooms are accessible.
- Wages are paid in cash between the 2th and 5th of the month after.

Document inspection

- Wages are usually paid between 2th and 4th of the following month.
- The factory don't gives loans anymore.
- The company gives in rare cases advances for workers who are in the need from 50 dinars to 100 dinars.
- The factory gives contracts of three months period.
- Some disciplinary decision concerned workers who moved without authorisation.

- No documented evidence is found that the business behaviours of the factory indicate forced labour.

Inspection of the work place

- Factory walkthrough confirms workers can freely access toilet and drinking water facilities.

Consultation of local stakeholders

- In order to maintain their jobs workers, in many cases, accept compromises. Actually, what is the most important is being paid at the end of the month.
- Most of the workforce in the region of Monastir is more tolerant than the one in other regions of Tunisia.

3.2. No discrimination in employment

Interviews with management

- There is no discrimination based on sex, religion, race, etc.
- Men and women are employed in the same functions without discrimination.
- Wages and promotion are in accordance to the CBA.
- Pregnancy is accepted.
- No pregnancy test is required for female workers during recruitment and employment.

Interviews with workers

- There are some pregnant women in the factory
- Workers interviewed confirm there is no discrimination based on province origin, sex, religion, race etc. in this company.
- Interviewees inform there is no pregnancy test when workers are hired.

Document inspection

- There is no discrimination based on sex, religion or any other form.
- The factory has a written non-discrimination procedure
- All workers are paid in accordance to the CBA.
- Promotions are in accordance to the CBA.
- No documented evidence is found that female workers are required to take pregnancy tests before or during their employment.

- Reviews of payroll records do not find any discrimination practices in wage payment.

Inspection of the work place

- Both female and male are observed in the workshop with same functions.
- Female workers dominate the sewing department.

Consultation of local stakeholders

- In the garment industry, companies in Monastir hire from other regions in Tunisia.
- There is no discrimination on the basis of regional origin, religion, sex, race, etc. in this company.

3.3. No exploitation of child labour

Interviews with management

- The company employs apprentice workers older than 16 years.
- The company checks the age of candidates for a job before recruitment with the identity card or the birth certificate.
- Apprentice wages are above the legal minimum wage of apprentices.
- There is no child labour

Interviews with workers

- Among interviewees, there is one juvenile worker more than 17 years old.
- There are many apprentices receiving a monthly wage of 200 dinars in in the beginning.
- Apprentices are not pursuing training outside the company.
- Workers interviewed confirm there is no child labour in the factory.
- The company checks the age of candidates for a job before recruitment with the identity card or the birth certificate.
- Workers confirm that copy of ID card is filed in factory.

Document inspection

- The company employs 41 apprentices workers older than 16 years of age.
- Apprentice workers are paid more than 200 dinars even if the apprenticeship contract provides for a lesser amount.
- All workers files include identity card or birth certificate.

- One juvenile worker is employed who is more than 17 years old.
- No documented evidence is found that children are employed in the factory.

Inspection of the work place

- No child labour is identified during the factory walkthrough.

Consultation of local stakeholders

- Authorization from the labor inspection bureau is required to hire young workers as apprentices.
- Apprentices have the right to 2 holidays per month as opposed to regular workers who have the right to 1 ½ holidays per month.
- Apprentices are not allowed to work overtime hours.
- Employers are required to hire at least 25% of the apprentices after the learning period.
- Apprentices should be paid at least 75% of the national legal minimum wage.
- Apprentices should get at least 4 hours formal training per week.
- There has to be a register for workers between 16 and 18 years old.
- Apprentices should not perform hard jobs

3.4. Freedom of Association and the Right to Collective Bargaining

Interviews with management

- There is a trade union elected since December 2014.
- The human resource manager is the general secretary of trade union.
- For HR manager it is important to be involved to explain more the role of trade union for workers.
- For management the structure of the trade union should be reviewed.
- There is an elected consultative committee that deals with organisation of work.
- Management is not against freedom of association or the right to CBA.

Interviews with workers

- There is a trade union but workers are not aware who the members are.
- There is a consultative committee but some workers are not aware about its existence.

- To complain about the work or other related issues, employees report to their direct supervisor or to the general manager.
- Workers state that there is no social conflict.

Document inspection

- There is a trade union elected since december 2014. There are seven members.
- The human resource manager is the general secretary of the trade union.
- There is no meeting report of trade union.
- There is a consultative committee elected since 2008.
- Meeting reports of consultative committee are frequent and deal with disciplinary decisions, health and safety and organisation of work (holidays, working hours...).
- There is a consultative committee register.
- There is no documentation proving that unionists were harassed or asked to not exercise their activity.

Inspection of the work place

- N/A

Consultation of local stakeholders

- In the region of Monastir almost 40% of companies had trade union representation.
- Employers are more aware that a trade union representation is required to have a good social climate.
- In big companies it is necessary to have personnel representation. According to the president of the conciliation department in the regional labor inspection bureau workers don't make the difference between CCC and trade union.
- There should be at least a CCC. This CCC should be more active and effective. Actually, in the majority of cases it is set solely to comply with law.
- Employees should be more trained on trade union work.
- According to regional labor inspection bureau representative the majority of companies in the region of Monastir are socially "stable".
- Yousstex had not encountered social conflicts. Workers are very involved in the company.

- According to labor inspection representative, the region of Touza is very unique. People, there do not complain often or have disagreements. Actually, in this post-revolution period, companies had not witnessed strikes or contestation movements. This is not the case in other regions like M'nara where the level of contestation is higher.

3.5. Payment of a living wage

Interviews with management

- The company pays wages according to the salary schedule of the collective bargaining agreement of garment sector, which includes an hourly rate.
- Wage levels meet the legal minimum requirements.
- The company pays: presence bonus, transport bonus, assiduity bonus.
- The company provides a payslip to workers. The payslip contains details of salary.
- Employees' wages and salaries are paid by cash regularly not more the 5th of the month after.
- Wages are delivered to workers by cash.
- Annual productivity bonus is paid.
- The CBA wage increase was given to workers.
- The minimum wage is 1.722 dinars and the maximum wages 2.429 dinars.

Interviews with workers

- Wages are calculated on an hourly basis.
- Wages are paid no more than the 5th of the month after.
- Paid wages are between 430 dinars to 650 dinars per month for workers paid on hourly basis.
- Workers get all legal wage increases.
- Workers do not receive a monthly productivity bonus.
- The majority of workers do not understand the content of the payslip.
- Many workers complained about the withholding tax that is not fair.

- Many workers state that wages are not enough to meet living costs, wages are less than the living wage because of significant price inflation in the country.
- Contesting payroll is possible through HR manager.
- Some monthly paid workers state that the wage on payslip is less than the received wage.
- Workers are asked to stay home if there are no orders (without the agreement of labour inspection) and without being paid.
- A productivity bonus is paid at the end of the contract.
- Annual leave is paid monthly but workers prefer being paid at the same time as the annual leave.

Document inspection

- Wages are according to the schedule of the collective agreement of garment sector.
- Wages are usually paid between 2th and 4th of the following month.
- Not all workers are classified at the wage level corresponding to their function, especially in cutting unit.
- The company pays:
- Gross wage:
- Transport indemnity: 34.000 dinars per month
- Presence bonus: 2.080 dinars
- Assiduity bonus: 8.944 dinars per month
- There is no monthly productivity bonus.
- Assiduity bonus should be 9 dinars monthly instead of 8.944 dinars
- The minimum wage is 1.722 dinar per hour and the maximum wage is 2.429 dinars per hour. The average wage is about 2.128 dinars per hour.
- The greatest wage received by the greatest number of workers is 2.128 dinars.
- The company pay an annual productivity bonus that is applied on target taking into account the days of presence, quality, assiduity and behaviour.
- The annual bonus is paid at the end of the contract for contractual workers.
- Annual leave is paid for permanent workers: two weeks in August and one week in December. Payment of annual leave is given in monthly installments on a basis of 1.5 day per working month.

- Workers are asked to stay home if there is no orders without the agreement of labour inspection and without being paid.
- Annual leave for contractual is paid at the end of the contract.
- Workers are given a payroll indicating all needed information.

Inspection of the work place

- N/A

Consultation of local stakeholders

- Almost all companies behave in accordance with law pertaining to wages. They apply CBA wage grid in the garment sector correctly.
- Companies which are enduring an activity recession and want to reduce working hours must officially inform the labor inspection bureau providing necessary justification.
- Sometimes companies don't subscribe their employees in the national security organism (CNAM) as soon as they are hired. Employer has no more than two days to declare newly hired workers.
- Several companies are too late to pay wages. This is one of the main origins of conflicts.
- In Yousstex there are no complaints about delay in wage payment.
- Several garment factories make excessive overtime hours especially during peak season.

Wage benchmarks

Minimum wage	319 dinars	Tunisia Labour Law	Legal minimum wage for general sectors
Living wage estimate	500 dinars	An average estimation	N/A
Best practice wage	N/A	N/A	N/A
Collective Bargaining Agreements (CBAs)Gross wage	403 dinars	Tunisia Labour Law	Legal minimum wage for garment sectors
The living wage for federal trade union	500 dinars	N/A	N/A

Cost of living estimates	500 dinars	The living wage for federal trade union	The living wage for federal trade union
Poverty Line / Standard	N/A	Tunisia Labour Law	N/A

FWF wage ladder

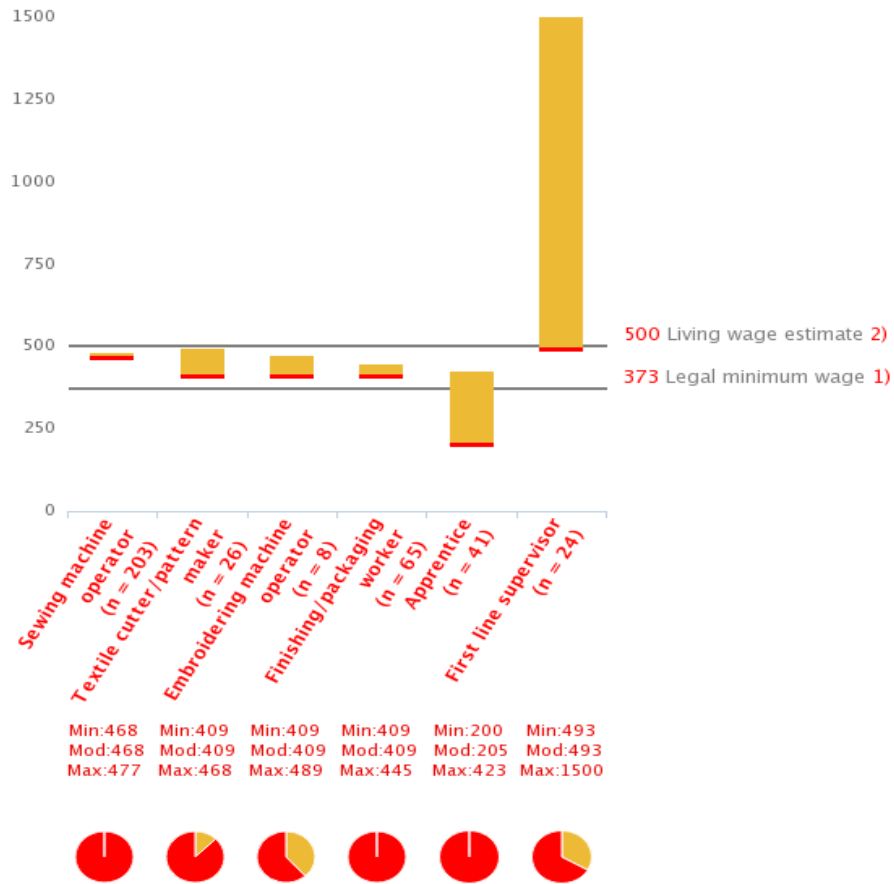
There is one wage ladder available for this factory; regular wage.

Wage ladder is developed based on data available as of June 2015. Audit team gets the average hourly rate of workers by using the gross wage to divide by the total working hours; then use the hourly rate multiplies the regular working hours to get the regular wage.

Wage ladder 1: wages for a regular working week of 48 hours

factory: youstex., tunisia

regular wages
currency: tnd



- 1) Legal minimum wage for garment CBA after collective negotiation October 2011 (48hr)
2) Living wage estimate collected from different stakeholders as part of FWF Country Study 2015 data collection.

legend

Male
Female

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Analysis of wage ladder

Lowest net regular wage paid to workers is 329 dinars in sewing, which meets the local net minimum wage.

Wages for a regular working are below the living wages benchmarks that FWF collected from local stakeholders except for cutting.

Workers in the factory are dominated by female workers.

There is no wage discrimination against gender.

3.6. Reasonable hours of work

Interviews with management

- The company has no specially a peak period or a low period.
- There is no overtime.
- The working hours from Monday till Friday are as follows:

○ 0715-1200	○ 1200-1230	○ 12h30 ○ 16h15	○ 07h15 ○ 12h45
○ Morning shift	○ Lunch	○ Afternoon shift	○ Saturday

- Official weekly hours are 48 hours.
- The factory gives an annual leave (2 weeks in August and one week in December).
- The time-keeping system is digital.

Interviews with workers

- There is a digital register to mark presence.
- Normal working hours are from 7h15 to 12h and from 12h30 to 16h15.
- In low production periods, workers are asked to stay home without being paid.
- Now workers are just asked to finish their working day earlier.
- There is no overtime.
- The annual leave is three paid weeks.

- Contractual workers are paid monthly for it.
- There is no peak period but many low period.

Document inspection

- There is no peak period.
- Since the revolution, the production decreased significantly.
- Workers are asked to stay home if there are no orders without the agreement of labour inspection and without being paid.
- Normal working hours are 48h a week.
- The factory uses a digital control of presence.
- There is no overtime.
- Annual leave is about two weeks in August and one week in December.
- Annual leave is paid monthly on a basis of 1.5 day of each worked month.
- There is no annual leave register.

Inspection of the work place

- Posted working hours are not in accordance to the real working hours

Consultation of local stakeholders

- In the garment sector a regular work week corresponds to 48 hours.
- Overtime hours must be paid at a 175% rate. Very often overtime hours are not paid but compensated with time off during the next week.
- Overtime hours are limited to a maximum of 12 hrs per week and should not be required on a regular basis.
- Workers should have one day off per week at least.
- In low periods some factories stop working without paying workers.
- When the company has not enough orders to occupy its employees it is possible to give them some days off. These latter must be fully paid. Nevertheless, the company could pay no less than 50% of regular working hours if it obtains workers approval.
- In order to maintain their jobs workers could accept a reduction in working hours without being paid.
- According to labor inspector employees get used to request an authorization to leave for one month. Sometimes they don't get the authorization from the employer. In this case employees could get the agreement from the social security organism (CNAM). They will be

paid consequently. Employers complain about the high level of absenteeism. This is why it was decided that the social security organism will no more deliver this kind of agreement without the authorization of the employer.

Maximum OT allowed by (local) law or international standard:

Maximum regular daily overtime hours and monthly overtime hours are 2 hours and 48 hours respectively by local law; workers shall be entitled to at least one day off in a 7-day period by local law; maximum weekly working hours shall not exceed 60 hours by FWF Code of Labour Practices.

Audit team finds that factory on average arranges 4 days off in a month for workers; in this case, the maximum consecutive working days for workers are 6 days.

3.7. Safe and healthy working conditions

Interviews with management

- Management states that they have a health and safety committee and they try always to improve working condition, but there is not a health and safety program.
- There is someone responsible for OHS. It is a worker (the mechanic) charged to control health and safety conditions in addition to his work, but he did not receive training in health and safety.
- The management states they have an agreement with the consortium of labour medicine that visits the factory once a week and they made a study of the working environment (light and noise).
- There is an infirmary fitted in the factory.
- There are trainings on health and safety given by the labor doctor. In addition, the factory gave trainings on first aid and fire evacuation for 33 workers in March and April 2015.
- Personal protective equipment is provided to workers.
- The management states that they give two working aprons each year and money (45dt) for the purchase of shoes.
- The management states they have an agreement with a control firm for the control of electricity and fire equipments.
- The management state that they do not ask for pregnancy test when hiring women employees and pregnant women are granted the legally required pregnancy leave.
- After maternity leave workers have one feeding hour each day.
- The management state that they have an agreement with a control firm for the control of fire equipments and of electricity.
- Used oil of machines and waste are collected then a private company takes them.

Interviews with workers

- Workers state that they are not aware about the existence of the health and safety committee.
- The majority of workers state that they do not know who the OHS responsible person is.
- There is a labor doctor that visits the factory once a week.
- Workers state that the labor doctor makes sessions of raising awareness concerning the noise and the manual handling.
- Some medicines are supplied.

- Some workers were trained in firefighting and first aid.
- There is no pregnancy test when hiring employees.
- The factory provides 2 months maternity leave for workers.
- Workers received two aprons in the year and 40 dinars for the purchase of two pairs of shoes.
- The company assures the transport of the workers by buses.
- Workers state that chairs are not ergonomic but they are comfortable.
- Some workers complain about backache and legs.

Document inspection

- Maternity leave list is not kept.
- There is an accident register.
- Fire extinguishers are clearly marked, fully charged, with a regular control. They are easily accessible.
- Factory keeps all legally required certificates and documents in place and furnished for view of the audit team; these include business license, tax license, certificates for electricians, etc.

Inspection of the work place

- The entire facility is covered during the audit.
- There is one building with three compartments and two floors.
- There are four production lines.
- The total surface of the factory is 17104 m².

Workplace:

- The building is new, spacious, very well maintained and adapted to an industrial activity.
- The workplace is not overcrowded.
- The work environment is clean, there are two cleaners for every production line.
- All the working units are not noisy, only in the weaving workshop the noise is rather high.
- The working units are well lit (natural and artificial lighting).
- Ventilation is sufficient.
- The workplace is equipped with air conditioner.
- Chairs are not ergonomic and some of them are broken.

- Machines are well maintained, and the majority of them equipped with eye protection equipment.
- The zone of storage of fabrics (tissues) is well maintained.
- Workers have a uniform.

Health and Safety:

- There is a committee of Health and Safety created since 2008 but not active. Only three meetings were done in 2014 (28/1/14, 01/04/14 and 03/12/14) and only one in 2015 (17/04/15).
- There is an OHS responsible. He is trained on first aid and firefighting.
- The company has an agreement with a labour doctor that visits the company once a week.
- About 33 workers had training in first aid.
- Instructions of safety are posted in several places.
- Protective personal equipment is provided, they are adapted to the type of danger, but used only by some workers.
- There is no chemical used.
- There is a sick room, well equipped with a table of examination, a cupboard, a desk, and medicines.
- The medical files are kept in the factory.
- In each unit, there is an emergency box, equipped with the necessary medicines.
- There is a goods lift, well indicated and secured.
- Maternity leave register is not maintained.
- The accident register is maintained.

Work facilities and well-being

- There is a canteen in every workshop, and they are well maintained and clean.
- All the canteens are equipped with gas, microwaves, and refrigerator. In addition, they are used at the same time as a change room.
- The drinking water is available in the factory.
- Toilets are in sufficient number. Toilets for women and for men are separated. They are well maintained and clean but they are not equipped with washbasin (hand blowers).
- There are showers.

Fire Safety and Evacuation procedures:

- A evacuation plan is posted in every workshop.
- The assembly point is indicated outside the factory.
- Emergency exits routes are marked.
- All fire exits are clearly marked, not blocked and kept fully open during working hours.
- Emergency exits are not equipped with anti-panic doors.
- Fire extinguishers are in sufficient number (a total of 38), appropriate for the types of fires.
- Fire extinguishers are clearly marked, fully charged, with a regular control, the last inspection date is in May 2015, and they are easily accessible.
- Electric cupboards are indicated and kept closed.
- Electrical wires are well maintained.
- The electrical equipments have a regular control, made by a control firm (société Slamatec), the last date of the control is done on 14/04/2015.
-

3.8. Legally binding employment relationship

Interviews with management

- Some workers sign contracts for a period of three or six months.
- Workers are registered in the social security.
- All social security requirements are paid to the social security.
- The majority of workers are contractual.

Interviews with workers

- All employees are registered in social security.
- Some workers sign contracts for a period of three or six months.
- The majority of workers are contractual and leave the factory before reaching 4 years experience.

Document inspection

- All employees are registered in social security.
- Hired workers are not registered after 48h in social security.
- Some workers sign contracts for a period of three or six months.
- About 18% of workers are permanent.
- All workers files are well maintained.

- Workers who reach four years are not renewed and leave the factory.

Inspection of the work place

- N/A

Consultation of local stakeholders

- The main issue remains the nature of labor contracts. Workers still hardly get tenure (permanent contract).
- The garment industry should have a flexible workforce since it's not always possible for factories to have enough order across the year to occupy all workers. This is how the use of short term labor contracts of three or six months could be explained.
- For factories it is easier to manage change when workers are not permanent. Nevertheless, even though workers could accept this condition, the short term contract doesn't provide an economic and social stability.
- Yousstex does pay its contribution to social security.

4. Special positive points of interest

- Buses transport workers.
- There are air-conditioned.
- The work place is spacious and not overcrowded.

Annex 1: pictures



Production and administrative building



Canteen



Sewing

Cutting



Warehouse



Room used as sick room



Stall



Chairs



Internal instructions



Toilet

Annex 2: corrective action plan (Excel)