

Labor Standards – Terms of Engagement

Levi Strauss & Co.



Labor

The purpose of this Guidebook is to assist individuals, including factory managers, licensees and agents, to implement the Terms of Engagement (TOE) in factories producing Levi Strauss & Co. (LS&Co.) products.

LS&Co. developed the TOE requirements on its own initiative in 1991 and since then has refined these requirements based upon information obtained from sources which include, but are not limited to, factories, licensees, monitors, NGOs, TOE assessors, manufacturing and operations staff, and industry colleagues.

It should be stressed that the creation of the Guidebook is an effort to provide advice to ensure broad awareness and global consistency on TOE issues that may be encountered around the world, and to underscore to our contractors the importance of complying with our TOE requirements. This Guidebook was also created to ensure that issues are being addressed properly and on a timely basis.

Contents of the Labor Chapter

TOE Requirements

Each requirement is preceded by the acronym:

ZTV - Zero Tolerance Violation

IA - Immediate Action

CI - Continuous Improvement

We have included the suggested rating for each of the TOE requirements. The suggested ratings will help the users of this Guidebook understand how seriously Levi Strauss & Co. views each particular issue.

In addition to the TOE requirements, we have included specific examples of how the requirements can be applied to non-compliance issues that might arise in a factory.

These examples are based on our experience, and are fairly comprehensive, but they are not inclusive of every issue that might appear in a factory. However, they do illustrate the judgment used in determining compliance with or violation of the TOE.

For each example of non-compliance, there is an accompanying suggestion for remediation, and a timeframe within which the noncompliance should be remediated.

If – after consulting this Guidebook, other TOE tools, LS&Co.'s values, and one's own judgment – there are still questions about what constitutes a violation, what remediation or timeframe to suggest, or what are considered best practices, please contact the LS&Co. Regional Sustainability Manager for further advice.

Child Labor

Use of child labor is not permissible. Workers can be no less than 15 years of age and not younger than the compulsory age to be in school. We will not utilize partners who use child labor in any of their facilities. We support the development of legitimate workplace apprenticeship programs for the educational benefit of younger people.

Requirements

Minimum Working Age

- ZTV** The factory is prohibited from employing any worker under the age of 15.¹
- ZTV** Where local law specifies a minimum working age higher than 15, all workers must be at or above the legal minimum age.
- ZTV** Where local law specifies a mandatory schooling age, the factory may only employ those persons above the mandatory schooling age.
- IA** Only persons at or above the age of 15 may be present in the work areas. Only in the case of a guided tour, conducted by an appropriate factory employee, may persons under the age of 15 enter the work areas.
- IA** The factory must have age-verification procedures that are effectively implemented, so that every personnel file contains copies of the identified documents (such as birth certificates, national ID cards or school certificates) submitted by applicants.
- CI** Factory should have a hiring policy that includes a minimum age of 15, or older if specified by law.

Juvenile Workers

- IA** Where a country's legal code specifies juvenile employment restrictions or requirements, the factory must be in compliance with the local legal requirements unless they are less stringent than the LS&Co. requirements, in which case the LS&Co. requirements must be met. For example, the LS&Co. requirement that no child under age 15 be employed must be adhered to even if the local law authorizes children age 14 to work.
- IA** Juvenile workers are prohibited from working at night or conducting "hazardous work" as defined by the ILO.²

¹ ILO Minimum Age Convention, 1973, <https://is.gd/VlpXtF>

² ILO Night Work of Young Person (Industry) Convention, 1919, <https://is.gd/XspGoP>








Note 1: LS&Co. defines a child as anyone under the age of 15, and a juvenile as anyone between the ages of 15 and 18. However, in regions or countries where the legal definition of a child includes persons older than 15, the local definition will apply.

Calculate age on the basis of whole years lived, not on years that began at birth. Thus, 12 months from birth, a person is considered to be one year old, not two years old. Also, 14 months from birth, a person is still considered to be one year old, not two years old.

Note 2: According to the ILO, the definition of Hazardous Work with regard to Child Labor consists of:

- Work which exposes children to physical, psychological or sexual abuse;
- Work underground, underwater, at dangerous heights or in confined places;
- Work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads;
- Work under particularly difficult conditions, such as work for long hours or during the night or work where a child is unreasonably confined to the premises of the employer.
- Work in an unhealthy environment which may expose children to hazardous substances, agents or processes, temperature, noise levels and vibrations damaging to their health.

Child Labor Non-Compliance & Corrective Actions

Finding	Corrective Action	Recommended Timeline	Verification Method
<p>ZTV - Minimum Working Age : In "X" country, the legal minimum working age is 14. One worker in factory "X" is 14 years old. Documentation verified the worker's age.</p>	<p>Emergency child labor intervention must immediately be put in place, wherein the child is removed from the workplace even though at age 14 his or her employment is permissible under local law. The child should have the option to work in the factory once he/she has reached the legal working age.</p>	<p>Immediately</p>	
<p>ZTV - Minimum Working Age: In "X" country, the legal minimum working age is 16 (higher than LS&Co.'s TOE 15-year requirement). There are 15-year-old juveniles working inside the factory. Documentation verified the workers' ages.</p>	<p>Emergency child labor intervention must immediately be put in place, wherein the child is removed from the workplace.</p>	<p>Immediately</p>	
<p>ZTV - Minimum Working Age: In "X" country where the laws are somewhat conflicting and juveniles are legally permitted to work after the age of 15, but must remain in school until the age of 16, one worker is 15 years of age and is not in school. Documentation verified the worker's age.</p>	<p>The factory must implement a program to ensure that underage workers work only in accordance with law (e.g., limited hours that do not interfere with mandated schooling).</p>	<p>Immediately</p>	
<p>CI - Minimum Working Age : The factory has no policy on minimum hiring age.</p>	<p>Factory should establish policy on Minimum Hiring Age. Relevant staff to be trained on the implementation of the policy.</p>	<p>One week</p>	
<p>IA - Juvenile Workers : In "X" country where juveniles are legally defined as workers between the ages of 15 and 18, the labor code states that juveniles are not allowed to work overtime. In factory "X" juveniles work the same hours (including overtime) as adult workers. This is confirmed by factory work records.</p>	<p>Identify juvenile employees and communicate to supervisors and workers the required legal employment restrictions. Create/maintain juvenile registry and implement juvenile employment restrictions (e.g., required written permission from parent/guardian, special record-keeping, required medical exams, restricted work hours (no OT) and restrictions on jobs (no hazardous jobs).</p>	<p>One week</p>	
			
			

<p>IA - Juvenile Workers : A child is discovered in the workplace. It is determined that the child was on holiday from school and was visiting her mother in the workplace.</p>	<p>The child must be removed from the work area. A policy must be established that prohibits children in the work area, and this policy must be communicated to workers.</p>	<p>Remove child immediately / one week to establish policy</p>	
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Prison, Forced or Trafficked Labor

We will not utilize business partners who use prison, forced or trafficked labor, nor will we utilize or purchase materials from a business partner utilizing prison, forced or trafficked labor.

The general definition of forced labor is any work or service performed under the menace of penalty, and for which the said persons have not offered up themselves voluntarily.¹

There are four common forms of forced labor:

1. **Prison Labor:** Work, performed by individuals incarcerated by either the state or military that is a requirement of their sentence and usually without compensation.
2. **Indentured Labor:** Work, performed by an individual contractually bound to an employer for a specific time period, which is usually in return for payment of travel and living expenses.
3. **Bonded Labor:** An illegal practice in which employers give high-interest loans to workers who either individually or as an entire family then work at low wages to pay off the debt.
4. **Trafficked Labor:** a practice where a person is recruited, harbored, obtained, transported, or transferred with a view to that person being exploited.²

Requirements

- ZTV** All forms of prison or forced labor are prohibited.³
- ZTV** All use of trafficked labor, whether the contractor is using labor that has been trafficked, or facilitating the trafficking of individuals for the purposes of their exploitation by another party, is prohibited.
- ZTV** Any subcontracting arrangement with prisons is prohibited.
- IA** Any ploys for workers to voluntarily end their employment, such as excessive notice periods or substantial fines for terminating their employment contracts, are prohibited. Labor contracts must also meet legal requirements.
- IA** Factories must not require or allow employment agents to require any monetary deposits or keep any original identification documents. The practice of deposits (money/original identification) may prevent workers to freely end their employment (within the legal context). This violation occurs most with a migrant labor force.

¹ Definition established by the ILO, Forced Labour Convention, 1930, <https://is.gd/7qjVoC>

² Palermo Protocol 2000, <http://www.ohchr.org/EN/ProfessionalInterest/Pages/ProtocolTraffickingInPersons.aspx>

³ Forced Labour Convention, 1930 and Abolition of Forced Labour Convention, 1957, <https://is.gd/mZlt6S>
Universal Declaration of Human Rights, 1948, <http://www.un.org/Overview/rights.html>







- IA Security must not be allowed to intimidate or restrict the movement of workers. If security is inside the factory, they should not be armed.
- IA Factories must not restrict or limit in any way employee access to religious facilities, toilets or drinking water.
- IA Overtime must be strictly voluntary. Any form of pressure to perform overtime is prohibited.


Note: *If a factory advances payment to workers and withholds a small amount from each paycheck that allows the worker to pay off the advance, this does not necessarily imply a TOE violation.*

Even though the worker is offering labor to pay off a loan, as long as the withheld amount does not violate local, legal restrictions concerning payroll deductions it is not a violation of the TOE.

Prison, Forced or Trafficked Labor

Non-Compliances & Corrective Actions

Finding	Corrective Action	Recommended Timeline	Verification Method
<p>ZTV – Forced or Trafficked Labor : During an assessment, workers state that they are not working at the factory voluntarily. After further examination, it is found that the allegations are true.</p>	The factory must discontinue the practice immediately. All workers must be working at the factory of their own free will and have a contract meeting all the legal employment requirements.	Immediately	
<p>ZTV - Prison Labor : LS&Co. contracts with a joint venture factory who is affiliated with the state. The factory purchases leather from a state-owned enterprise that employs prisoners.</p>	The factory must discontinue the practice immediately, and identify for LS&Co. all leather goods made by prisoners.	Immediately	
<p>ZTV - Forced Labor : In factory “X”, foreign migrant workers are required to sign a contract which states that they cannot resign. (For example, doing so within 2 years would mean substantial fines equivalent to 3 months of work.)</p>	The contracts must immediately be revised and the clause removed. Workers should sign the revised contracts and be given a copy of the newly signed contracts. Termination of a contract must not result in a fine or a loss of previously earned wages.	Immediately	
<p>ZTV - Forced Labor/Freedom of Movement : The factory requires workers to submit original copies of birth certificate or national ID documents or deposit money, or any legal identification papers (unless requested by workers for security reasons), so workers cannot easily leave or resign from the factory.</p>	The factory must return all deposits; copy and then return all these documents to the workers and put a stop to the practice. The factory must have a policy/process in-place for workers who want to terminate employment (resigning) and this should be communicated to workers. Provide workers with means for securing money and/or papers themselves (e.g., secure storage).	2 weeks	
<p>IA - Forced Labor : In factory “Y”, when workers request permission to leave work to care for their children who are ill, they are not granted permission to leave.</p>	Under reasonable circumstances, immediately allow workers to leave the premises as they desire. Provide security as needed. Develop policies that allow workers to leave work under reasonable circumstances. Supervisors and workers must be trained on the policies.	Immediately / 3 weeks for policies and training	
<p>IA - Freedom of Movement : The workers feel as though they work in a climate of intimidation created by the presence of guards throughout the workplace, effectively restricting workers’ freedom of movement throughout the factory.</p>	The factory must clarify the job description of security guards. Their revised job duties must be communicated to the guards and to the workforce. The guards must be monitored for compliance.	2 weeks	

<p>IA - Freedom of Movement : Whenever workers want to go to the toilet or get a drink of water, they have to ask permission of their respective supervisor. The supervisor keeps track of how long employees are gone to make sure that workers do not waste too much time using the toilet.</p>	<p>Workers must have access to toilets and drinking water at all times and need not seek permission. There must be no restrictions on workers in performing traditional religious obligations.</p>	<p>Immediately correct practice/ 2 weeks to revise policy</p>	
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Disciplinary Practices

We will not utilize business partners who use corporal punishment or other forms of mental or physical coercion.¹

Requirements

- ZTV** Factory managers/supervisors must never threaten the use of or practice any form of physical discipline or harmful physical contact, no matter how slight.

- ZTV** Factory managers/supervisors must never engage in or allow sexual harassment. Touching employees, especially women, in any way that could be considered to have sexual implications; sexual comments made to workers or requiring any form of sexual favor in exchange for beneficial treatment in employment is considered sexual harassment.
 - Employers shall not offer preferential work assignments or other preferential treatment of any kind in actual or implied exchange for a sexual relationship, nor subject employees to prejudicial treatment of any kind in retaliation for refused sexual advances.

- IA** Factories must have clear and established employment policies (see General Labor Practices). These policies must be made publicly available to all workers and applied uniformly to all employees, and must include guidelines to prohibit any of these employment processes from being used in an inappropriate or coercive manner or as an unsanctioned form of discipline.
 - Disciplinary policies must include an escalating series of verbal and written warnings prior to suspension or dismissal. Disciplinary measures taken must be documented in the worker's file and a copy of such warnings must be provided to the worker.

- IA** Factory managers/supervisors must never use coercive behavior, verbal abuse or abusive disciplinary tactics or procedures. Threatening, either explicitly or implicitly, to withhold workers' basic rights, including wages, benefits, access to food, services, etc. is considered coercive behavior.
 - Access to food, water, toilets, medical care or health clinics or other basic necessities will not be used as either reward or punishment.
 - Employers will not unreasonably restrain freedom of movement of workers, including movement in canteen, during breaks, using toilets, accessing water, to access necessary medical attention.
 - Managers should never use intimidation or mentally abuse workers such as throwing objects at the ground in front of workers.

¹ ILO Termination of Employment Convention, 1982; <https://is.gd/XjQjwD>

- Employees will not be threatened nor intimidated in any manner nor have the fear of threats or intimidation.
- IA** Disciplinary measures must not include monetary fines. Tardiness should be deducted on a pro-rata basis.
- Managers must never threaten illegal or undue fines as a means of disciplining or influencing behavior.
- IA** Security personnel must not administer disciplinary action against employees.
- Security must not have the right to discharge workers.
 - The military must not be allowed to participate in disciplinary procedures.
 - Security practices must be gender-appropriate and nonintrusive.
- IA** Management will discipline (could include combinations of counseling, warnings, demotions, and termination) anyone (including managers or fellow workers) who engages in any physical, sexual, psychological or verbal harassment or abuse.
- IA** Factories must have confidential and secure communication channels for workers to raise concerns or grievances to management. These processes must be functional and effective – they must be accessible, used and understood by workers, and they must also include a mechanism to ensure that grievances are responded to.
- Factories must have culturally appropriate, written grievance policies and procedures in place that protect employee privacy, protect against possible retribution, and permit workers to report unfair treatment to someone other than their supervisor.
 - A discreet, effective complaint procedure must be in place for all workers. A trusted person, such as an appointed counselor, should be the administrator of the system.
 - There must be an internal, confidential appeal procedure that workers can use if management does not adequately respond to their complaint.
 - There must be an appeal procedure for workers who feel unjustly warned or disciplined.
 - There must be suggestion boxes in private and secure locations that are easily accessed by the workers. The facility may also provide a telephone ‘hotline’ number or post office box address for employees to report grievances.
 - Factories’ grievance policies and procedures should also include a system for resolving disputes in the workplace, e.g., dispute resolution committee or workers’ council that receives, investigates and resolves workplace grievances.





- The factory must use a clearly defined and documented system for resolving disputes in the workplace, whether between co-workers or between workers and supervisors.
- Workers must have the ability to report problems to a person or committee other than a direct supervisor. This system must be communicated both verbally and in writing to the workers.
- The factory must adopt and communicate a non-retaliation policy that guarantees that workers who report on problems or abuses do not suffer negative consequences.





- CI** Managers and Supervisors should be trained in company procedures to ensure compliance and eliminate opportunities for abuse, and where possible, workers should receive instruction on their rights under national law and company practices and international standards.¹
- Policy and procedures should be present in employee handbooks and manuals.
 - Grievance procedures should be included in orientation for new and temporary hires and in periodic training for existing workers, supervisors, and managers.
 - The factory should provide cross-cultural training to expatriate managers, supervisors, and workers.
- CI** Factories should effectively communicate disciplinary procedures to employees.

Note: *Levi Strauss & Co. recognizes that different management techniques are used throughout the world. To protect the dignity of workers, the TOE seeks to ensure that suppliers act reasonably in deciding the nature and the amount of discipline to apply in given circumstances.*

¹ UN High Commissioner for Human Rights Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, 1984, <https://is.gd/m7nnGe>; Universal Declaration of Human Rights, 1948, Articles 3 and 5, <http://www.un.org/Overview/rights.html>

Disciplinary Practices Non-Compliances & Corrective Actions

Finding	Corrective Action	Recommended Timeline	Verification Method
<p>ZTV – Corporal Punishment : Workers are physically punished, for example, they are asked to stand-up at the back of the production area for 1 hour if they arrive late to work.</p>	<p>The factory must discontinue the practice immediately. The factory should consider hiring a local NGO to conduct training. The factory must monitor for change in behavior, and if necessary, terminate the employment of abusive personnel.</p>	<p>Immediately discontinue practice / schedule training within 3 weeks</p>	
<p>ZTV - Sexual Harassment : One male supervisor is always touching the female workers and they are obviously made uncomfortable by his actions.</p>	<p>The supervisor must stop the behavior immediately. Supervisors must be educated on correct behavior. Implement effective management follow-up on reported grievances. (Note: Policies clearly defining and prohibiting sexual harassment must also be in writing and posted; see General Labor Practices. In addition, there must be effective grievance procedures for workers to use in reporting any unfair/ inappropriate treatment.)</p>	<p>Immediately discontinue practice / 3 weeks to schedule training</p>	
<p>IA - Coercion/Verbal Abuse : One supervisor shouts at workers whenever they make mistakes or if they are unwilling to stay and work overtime.</p>	<p>The supervisor must stop the behavior immediately. Supervisors must be educated on correct behaviors. Implement effective management follow-up on reported grievances. (Note: Policies clearly defining and prohibiting coercive behavior and abusive disciplinary tactics must also be in writing and posted; see General Labor Practices. In addition, there must be effective grievance procedures for workers to use in reporting any unfair/inappropriate treatment.)</p>	<p>Immediately discontinue practice / 3 weeks to schedule training</p>	
<p>IA - Monetary Fines : Review of the company rules and regulation shows monetary fines are used to discipline workers for violating company rules (for example: eating at workplace, etc.).</p>	<p>Use legal requirements as the first policy to follow. Assess the magnitude, how many policies are involved and how many workers impacted. Based on the results, policies have to be adjusted to the legal requirements implemented but also compensate workers impacted.</p>	<p>Immediately discontinue practice / 3 weeks to hold training sessions</p>	

<p>IA - Disciplinary Practices : One worker in the sewing department was fired for a small mistake, even though this was the first time that worker had ever done anything wrong. One supervisor gives workers a written warning the first time they are tardy even though workers in other departments can be tardy two times before getting a written warning.</p>	<p>Supervisors and workers must be educated on the disciplinary procedures, and they must be carried out consistently in the factory. The procedures must include an escalating series of verbal and written warnings prior to suspension or dismissal. (Note: Disciplinary procedures must also be in writing and posted; see General Labor Practices.)</p>	<p>Immediately discontinue practice / 3 weeks to hold training sessions</p>	
<p>IA - Disciplinary Practices : Because a worker failed to inform her supervisor that she would not report for work that day, the supervisor would not allow the worker to perform OT for 1 week.</p>	<p>Supervisors and workers must be educated on the disciplinary procedures, and they must be carried out consistently in the factory. The procedures must include an escalating series of verbal and written warnings prior to suspension or dismissal. (Note: Disciplinary procedures must also be in writing and posted; see General Labor Practices.)</p>	<p>Immediately discontinue practice / 3 weeks to hold training sessions</p>	
<p>IA - Grievance System : Factory management has established that workers report grievances to their supervisors. The workers say that the only way to complain about verbal abuse from a supervisor is to complain to the supervisor himself and they are afraid they will be fired if they complain.</p>	<p>The factory must develop a variety of communication channels such as through suggestion boxes, upper management or HR personnel, etc. that protect privacy, protect against retribution and allow reporting to someone other than supervisors. The new procedures must be communicated to supervisors and workers. (Note: Grievance procedures, including management follow-up activities, must also be in writing and posted; see General Labor Practices.)</p>	<p>2 weeks</p>	
<p>CI - Worker Awareness : Workers are unaware of disciplinary procedures because of the high rate of illiteracy. The facility has posted the procedures, but the workers are not able to read them.</p>	<p>The new hire orientation and factory policy training should include verbal explanations or graphics for those employees who are not able to read. (Note: Disciplinary procedures should also be in writing and posted; see General Labor Practices.)</p>	<p>4 weeks</p>	

Legal Requirements




We expect our business partners to be law abiding as individuals and to comply with legal requirements relevant to the conduct of all their businesses.

Requirements

- ZTV** Factories must observe and be in compliance with any legal judgments against them.
- ZTV** Factories must observe and be in compliance with Rules of Origin laws and regulations.
- IA** Factories must understand Country of Origin requirements to ensure they are in compliance.

Note: *The fact that there may be lawsuits against a particular factory or member of management does not mean that the factory is operating illegally. If the lawsuit is being addressed through established legal channels of the country, there is no violation of Levi Strauss & Co.'s TOE.*

Legal Requirements Non-Compliances & Corrective Actions

Finding	Corrective Action	Recommended Timeline	Verification Method
<p>ZTV – Legal Requirements : The owner of the facility was convicted of tax evasion and has ignored the judgment</p>	<p>The factory owner must comply with the judgment or Levi Strauss & Co. will consider exiting the factory.</p>	<p>Immediately</p>	
<p>ZTV - Rules of Origin : A factory in the Philippines makes garments and inserts the label “Made in China” and then ships the goods illegally through China to the U.S.</p>	<p>Transshipment through China must be terminated or Levi Strauss & Co. will consider exiting the factory.</p>	<p>Immediately</p>	
<p>IA - Rules of Origin : The factory management does not know the Country of Origin laws.</p>	<p>Logistics or customs staff must be trained on the requirements of Country of Origin.</p>	<p>2 weeks</p>	







Ethical Standards

We will seek to identify and utilize business partners who aspire as individuals and in the conduct of all their businesses to a set of ethical standards not incompatible with our own.

Requirements

- ZTV** Factories must provide access to workers, records and factory work areas, and they must be cooperative and transparent during TOE assessment process.
- ZTV** Factories must not engage in corrupt or unethical practices, such as paying bribes in exchange for jobs, preferential treatment, etc.
- ZTV** Unauthorized subcontracting is prohibited.
- ZTV** Factories must maintain only one set of complete and accurate working-hour and payroll documents and records that represent true work conditions.
- ZTV** Factories must never present or require workers with blank papers/resignation letters to sign.
- IA** Factories must not engage in practices, such as annually firing and re-hiring workers or unreasonably designating workers as probationary, designed to circumvent national or local wage, benefit or other labor laws.

Ethical Standards Non-Compliances & Corrective Actions

Finding	Corrective Action	Recommended Timeline	Verification Method
<p>ZTV – Bribery : Supervisors are given bribes so that some workers gain preferential treatment for shifts or access to medical care, etc.</p>	The factory must immediately discontinue the practice.	Immediately	
<p>ZTV - Subcontracting : When production levels are high, work is subcontracted out to a nearby factory. LS&Co. has not been informed of the use of the stated factory.</p>	Work at the nearby factory must immediately be terminated and production removed.	Immediately	
<p>ZTV - Record Keeping : There are 2 sets of time records. One set was created by the factory to hide excessive OT. The payroll records reflects overtime payments, but the payments are not actually given to workers. (i.e. No overtime pay). Pay slips show payments reflective of time worked (without overtime) and the workers confirm the practice.</p>	Factory must discontinue this unethical practice immediately and use only one set of records that represents true work conditions.	Immediately	
<p>ZTV - Access : Workers were forced to sign a blank paper when they were hired, so that the factory can make it look like they resigned even if they are fired.</p>	Cease the practice and dispose of any blank papers still in factory's possession.	Immediately	
<p>ZTV - Ethical Practices : One worker in the sewing department was fired for a small mistake, even though this was the first time that worker had ever done anything wrong. One supervisor gives workers a written warning the first time they are tardy even though workers in other departments can be tardy two times before getting a written warning.</p>	Supervisors and workers must be educated on the disciplinary procedures, and they must be carried out consistently in the factory. The procedures must include an escalating series of verbal and written warnings prior to suspension or dismissal. (Note: Disciplinary procedures must also be in writing and posted; see General Labor Practices.)	Immediately	
<p>IA - Ethical Practices : In "X" country, workers with two year's seniority are entitled to receive an extra week of annual vacation, but the factory hires and fires workers each year so that the factory does not have to give them an extra week's vacation.</p>	Develop and implement new policies that seek to foster a long-term employee relationship with the factory, which also will enhance product quality and improve the factory's bottom line. Educate supervisors and workers on these new policies.	Immediately cease practice/ 2 weeks for policies	

Working Hours







While permitting flexibility in scheduling, we will identify local legal limits on work hours and seek business partners who do not exceed them except for appropriately compensated and permissible overtime. While we favor partners who utilize less than sixty-hour work weeks, we will not use contractors who, on a regular basis, require in excess of a sixty-hour week. Employees must be allowed at least one day off in seven.

Requirements

- IA** Working hours must not exceed 60 hours per week, more than 8 (not continuous) weeks per year. However, the TOE prefers that working hours be under 60 hours each week, with a maximum of 48 hours of regular work, plus 12 hours of overtime. Where a country's legal code requirements are more stringent on overtime hours, the legal requirements must be met.
- IA** Where a country's legal code specifies the regular workday, workweek, rest days and/or holidays, the factory's schedules must be in compliance with the law.
- IA** Employees must have one day off in seven; they may work on their rest day but no more than once in every two weeks and no more than 8 consecutive weeks per year. TOE prefers that employees not work on their rest days.¹
- IA** Time records for all workers must be available for review. Employees must maintain their own time records, i.e., punch in and out themselves.
- IA** Factories must record all employee working hours completely and accurately.
- CI** Factories should have a working time clock that employees use to record their hours, both regular and overtime.

¹ ILO Weekly Rest (Industry) Convention, 1921, <https://is.gd/dUBUf8> and Universal Declaration of Human Rights, 1948, <http://www.un.org/Overview/rights.html>

Working Hours Non-Compliances & Corrective Actions

Finding	Corrective Action	Recommended Timeline	Verification Method
<p>IA – Working Hours : Total working hours for a week is 72 hours and has been so continuously for the last 4 months.</p>	<p>The factory must submit a plan to reduce hours, with the goal of working less than 60 hours a week. (Note: Overtime must be voluntary and workers able to take one day off per week.)</p>	<p>2 weeks for the plan / 8 weeks for compliance</p>	
<p>IA - Breaks : In “X” country, workers must be given two morning breaks. Workers are only given one morning break and they are expected to work through the second break.</p>	<p>Factory must provide the employees with the legally required number of breaks. (Relevant laws must also be posted; see General Labor Practices.)</p>	<p>2 weeks for the plan / 8 weeks for compliance</p>	
<p>IA - 7th Day Rest : At “Y” factory, workers have Sundays off but the time records reflect that some workers work every Sunday.</p>	<p>Develop a work schedule that limits overtime and does not encourage employees to work on their rest days. Employees must be educated on health/safety dangers of excessive working excessive overtime. (Note: Overtime must be voluntary and working hours in general less than 60 hours per week.)</p>	<p>2 weeks for the plan / 8 weeks for compliance</p>	
<p>IA - Record Keeping : A factory does not have time records of all workers accessible. Workers are employed through subcontractor and the subcontractor was in possession of the records.</p>	<p>Time records for all workers must be available for review. (Note: Refusal to provide TOE assessors with access to records is a different violation - see Ethical Standards above).</p>	<p>1 week</p>	
<p>IA - Record Keeping : Workers are not allowed to punch in for overtime until after they have met their quota for the day.</p>	<p>Remove the no payment policy and suggest using positive means (such as bonuses) to encourage production. (Note: Separate records to cover up excessive overtime is a different violation; see Ethical Practices above.)</p>	<p>Immediately</p>	
<p>CI - Working Hours : The factory does not have an automatic time clock or swipe system.</p>	<p>The factory should install an automatic time recording system and have employees record their own hours for both regular and overtime work. This helps to ensure accurate and complete records of working hours. (Note: Separate records to cover up excessive overtime is a different violation; see Ethical Practices above.)</p>	<p>2 weeks to engage process / 8 weeks to complete</p>	

Wages and Benefits

We will only do business with partners who provide wages and benefits that comply with any applicable law and match the prevailing local manufacturing or finishing industry practices.







Requirements







- IA Where a country's legal code specifies legal minimum wages and allowances, factories must be in compliance with the law with respect to all workers, including employees paid on piece rate.
- IA Where the industry prevailing wage is greater than the minimum wage, the prevailing wage must be paid.
- IA Where a country's legal code specifies an overtime rate or an overtime premium, factories must be in compliance with the law.
- IA Workers must be paid the legal rate for all overtime hours worked.
- IA Where a country's legal code specifies that workers must receive certain benefits (such as retirement benefits, health insurance, workman's compensation, etc.), factories must be in compliance with the law.
- IA Where a country's legal code specifies the time and/or manner of wage payments, factories must be in compliance with the law and follow any legal requirements in cases of wage delay (i.e. interest, etc.).¹
- IA Payroll records for all workers must be available for review.
- IA Factories must meet the legal requirements regarding wage payments.
- IA Factories must provide all benefits and bonuses in accordance with the law.
- IA Factories must not deduct more from workers' wages than is legally permitted.
- IA Factories must not deduct wages for tardiness that exceed the actual man-hour loss.
- IA Factories must not deduct recruitment agency fees from workers' wages.

¹ Universal Declaration of Human Rights, 1948, <http://www.un.org/Overview/rights.html> and ILO Protection of Wages Convention, 1949, <https://is.gd/BG3E5w>

- IA** Work performed must be on the basis of recognized employment relationships with no use of labor only contracting or sub-contracting to avoid payment of benefits to workers or other obligations under labor or social security laws.
- CI** Factories should provide workers with pay slips that show regular and overtime hours worked, regular and overtime rates and wages, bonuses and deductions. Pay slips should be in language workers understand.
- CI** Factory Managers/Supervisors should be trained in compensation procedures to ensure compliance and eliminate opportunities for abuse.
- CI** Factory workers should receive regular instruction on their rights under national law and company procedures for compensation. Where relevant, employees should also receive training on international standards and best practices.

Wages and Benefits Non-Compliances & Corrective Actions

Finding	Corrective Action	Recommended Timeline	Verification Method
<p>IA – Minimum Wage : In a country “X”, the minimum wage is set at 300 pesos per month (and no sub- minimum is allowed per law), but the factory only gives 250 pesos as a start-up salary for the first 3 months of work.</p>	Wage payment must meet legal requirements. Arrears must be paid if payments have been less than required by law. (Relevant laws must also be posted; see General Labor Practices.)	Immediately adjust to meet legal requirement / 1 week for plan	
<p>IA - Overtime Wages : The legal requirement in computing OT for Sunday work is 2x the hourly wage, multiplied by total Sunday OT hours, but the factory only pays 1.5x multiplied by total Sunday OT hours.</p>	OT payment must meet legal requirement. Arrears must be paid if payments have been less than required by law. (Relevant laws must also be posted; see General Labor Practices.)	Immediately adjust to meet legal requirement / 1 week for plan	
<p>IA - Overtime Wages : Workers are not paid for all overtime hours worked, because supervisors do not record the first hour of overtime.</p>	All overtime hours worked must be paid, as well as any arrears due to workers for hours not paid.	Immediately correct practice / 2 weeks to revise system for recording hours worked	
<p>IA - Benefits : Workers are not provided with medical insurance within three months of hire, as required by law.</p>	Provide the required benefits and educate employees on new benefits. (Relevant laws must also be posted; see General Labor Practices.)	1 week to apply for benefits / 4 weeks for education	
<p>IA - Payment of Wages : There have been occasions when workers' wage payments were delayed for 3 days. Per law, wage must be paid on the last Wednesday of the month.</p>	The factory must meet legal requirements and improve the payment schedule to always pay wages on-time. (Relevant laws must also be posted; see General Labor Practices.)	4 weeks	
<p>IA - Subcontractors : The factory does not maintain payroll records of workers on site. Workers are employed through a subcontractor, and the records are maintained by the subcontractor.</p>	The factory must have copies of all subcontractor wages paid. These must be available for review. (Note: Refusal to provide TOE assessors with access to records is a different violation (see Ethical Standards above).	1 week	

<p>IA - Minimum Wage : In some countries, the legal minimum wage is divided into a basic wage and cost of living allowance, overtime, social security computation is based on the basic wage.</p>	<p>Wage payment must meet legal requirements. (Note: Assessor to consult Sustainability Manager/other stakeholders on back-wages (arrears to be paid)).</p>	<p>Immediately adjust to meet legal requirement / 1 week for plan</p>	
<p>IA – Deductions : The factory deducts money from workers as part of the workers' contribution to Social Security. The factory delays remitting the money to the bank or government agency.</p>	<p>The factory must ensure that the social security payments are remitted within the legal timeframe, and pay any fines as per law.</p>	<p>1 week for plan / 1 month to remit payment and maintain current</p>	
<p>IA - Benefits : The factory is legally required to pay workers for the 13th (or 14th) month but only pay 50% of the amount.</p>	<p>Benefits must be paid as required by law. Arrears must be paid if necessary.</p>	<p>Immediately pay bonus / 1 week for plan</p>	
<p>IA - Deductions : Review of company rules reveals that for 5 minutes of tardiness, 10% of the daily wage is deducted, 10 minutes is 15% and so on.</p>	<p>Review and change policy on so that wage deduction for tardiness is reasonable and not confiscatory and legal.</p>	<p>1 week to stop deductions / 3 weeks for communication</p>	
<p>CI - Pay Slips : Workers sign the factory pay register, which shows only total wages for the month. Workers do not receive pay slips.</p>	<p>The factory must provide pay slips with complete payroll information, so that workers understand how their pay is calculated.</p>	<p>1 week to engage process / 8 weeks to complete</p>	
<p>CI - Worker Awareness : Most of the workers are not aware of their wage composition, calculation and the benefits which are provided.</p>	<p>Provide education and include it in handbook/posters, and provide payroll slips to include the details of calculation. 80% of all workers interviewed should be aware of their benefits and understand how they are calculated.</p>	<p>4 weeks</p>	

General Labor Practices and Freedom of Association

We respect workers' rights to form and join organizations of their choice and to bargain collectively. We expect our suppliers to respect the right to free association and the right to organize and bargain collectively without unlawful interference. Business partners should ensure that workers who make such decisions or participate in such organizations are not the object of discrimination or punitive disciplinary actions, and that the representatives of such organizations have access to their members under conditions established either by local laws or mutual agreement between the employer and the worker organizations.

Requirements

Freedom of Association

ZTV Factories must respect employee rights to freedom of association; they must not impose any punitive actions against workers in supporting union activities. Punitive actions include threatening, fining, suspending or firing workers exercising their right to support union activities. Any action that suppresses freedom of association is prohibited to the fullest extent permitted under applicable local law, and may be an act expressly identified as illegal in some countries' labor codes.¹

Laws in different countries vary substantially regarding freedom of association. Most countries maintain procedural regulations regarding the actions of workers and employers. Some countries place substantial restrictions on workers' rights of association. The TOE provision on free association neither permits nor requires LS&Co. or its business partners to engage in unlawful activities to protect the rights of association. Nevertheless, where the right to freedom of association and collective bargaining is restricted under law, the supplier should not hinder the development of lawful parallel means for independent free association and bargaining. Subject to the foregoing:

- Employers may not use intimidation, unreasonable searches, police or military force to obstruct workers' right to freedom of association.
- Workers' organizations have the right to conduct their activities and elect their representatives without employer interference, such as the presence of factory management or factory designees at organizing meetings.
- Workers are free to meet and discuss workplace issues in the factory during their breaks and before and after work.
- Workers may communicate their concerns about factory practices to management, choose representatives to organize workers, inspect working

¹ ILO Freedom of Association and the Right to Organize, 1948; ILO Right to Organize and Collective Bargaining Convention 1949, ILO Collective Bargaining, Convention, 1981 <https://is.gd/QU58zV>

conditions, engage in dialogue with factory management, and carry out other organizing activities that do not disrupt factory production.

- The employer shall not interfere with employees' right to freedom of association; the employer shall not control workers' organizations or favor one workers' organization over another.
- Employers are not required to take an active role in supporting workers' efforts to associate or organize, but employers must assure that workers can exercise their right to organize in a climate free of violence, pressure, fear and threats.
- Factory management shall not impede workers' right to peaceful organization by outsourcing work performed by union members. Shifting production from one site to another for the purpose of retaliating against workers who have formed—or are attempting to form—a union is not acceptable.
- Employers may not offer or use severance pay as a means of discouraging union activities. Unscheduled wage or benefit increases must be avoided while a union organizing campaign is in progress.

IA Trainees must have the same wages, benefits and other conditions of employment as permanent employees after three months of employment, or earlier, as per law.

IA Temporary workers must have the same wages, benefits and other conditions of employment as permanent employees after nine months, or earlier, as per law.

IA Fixed term contracts or apprenticeship schemes where there is no real intent to impart skills or train for regular employment, must not be used to avoid payment of benefits to workers or other obligations under labor or social security laws.

IA Where legally required, factories must have a written employment contract with every employee and must provide every employee with a signed copy of their contract. Employment contracts must be in a language that workers understand and must contain an accurate and complete summary of the terms of employment. If workers are illiterate, supplier must explain terms to workers prior to signing contract.

CI Factories should maintain a personnel file for each employee, whether direct or indirect, that contains appropriate employee records such as signed age verification documents, employment agreements, disciplinary notices, and leave and benefit records.

CI Factories should retain files of dismissed employees onsite for three years or longer if legally required. Files should include reason for dismissal.

General Labor Practices







- IA Strip searches or pat-downs are prohibited.
- IA Factories are responsible for providing workers with all work tools, materials, badges, etc.
- IA The use of unauthorized homework in the production of any LS&Co. product is prohibited.
- IA Factories must have clear and established employment policies to guide: recruiting, hiring, training, working hours, harassment/abuse, grievance, discipline, termination, promotion, diversity, and compensation procedures. These company policies must be made publicly available to all workers, in a language that they understand, and applied in a standardized fashion throughout the facility.
 - All policies must be gender-sensitive, meaning that they proactively identify factors that impact women and men differently and seek to equalize them.
 - Regulations must include the minimum working age, facility age-verification procedures, juvenile employment restrictions (if any), wages, regular and overtime hours and rates, benefits and deductions, vacation and sick leave (including the circumstances—such as family emergencies—under which employees may be granted permission to leave the factory without disciplinary penalty).
- CI Factories should have accurate, complete and reasonable internal rules and regulations, written in a language that workers understand and posted in a visible/accessible location. Regulations should include: the minimum working age, facility age-verification procedures, juvenile employment restrictions, wages, regular and overtime hours and rates, benefits and deductions, vacation and sick leave (including the circumstances—such as family emergencies—under which employees may be granted permission to leave the factory without disciplinary penalty), discipline and termination procedures, grievance procedures, and harassment/abuse policies.
- CI Factories should effectively communicate internal rules and regulations to employees.
- CI Factories should post national or local labor laws, written in language workers understand, in a visible and accessible location where workers can read them. Posted laws should cover the minimum working age, minimum wage and legal overtime rates, benefits, work hours, freedom of association and harassment/abuse (if available).
- CI Factory Managers/Supervisors should be trained in company procedures to ensure compliance and eliminate opportunities for abuse.








- CI** Factory workers should receive regular instruction on their rights under national law and company procedures. Where relevant, employees should also receive training on international standards and best practices.

- CI** As part of the termination process, exit interviews should be conducted with workers who choose to leave voluntarily, to ensure that the factory is aware of cases where workers may have experienced harassment and leave rather than engage in documented grievance process. The results of these exit interviews should be retained in employee files on site for 3 years.

General Labor Practices and Freedom of Association

Non-Compliances & Corrective Actions

Finding	Corrective Action	Recommended Timeline	Verification Method
<p>ZTV – Unions : A factory imposes fines, suspension, etc. to any worker supporting actions to form a labor union.</p>	<p>The factory must stop the practice of imposing fines, etc. Instead, the factory must remain neutral and initiate dialogue with workers and respect their freedom of association.</p>	<p>Immediately</p>	
<p>IA – Employment Policies : A factory does not have clearly documented and established policies that are well-understood by workers' and Managers/Supervisors alike. There is not consistency in implementation or enforcement, so workers are vulnerable to subjective decisions by those above them.</p>	<p>The factory must immediately commence documenting a comprehensive set of employment policies to guide: recruiting, hiring, training, working hours, harassment/abuse, grievance, discipline, termination, promotion, diversity, and compensation procedures. These company policies must be made publicly available to all workers, in a language that they understand, and applied in a standardized fashion throughout the facility.</p>	<p>2 weeks to create a plan / 8 weeks to document policies and schedule trainings for workers, managers/ supervisors</p>	
<p>IA - Collective Agreements : In a unionized plant, the factory and union have agreed on a collective agreement that is good for 3 years. However, after the 1st year, the factory does not want to honor some portions of the agreement.</p>	<p>Terms of Collective bargaining must be honored. The factory must initiate dialogue with the union to resolve the issue.</p>	<p>2 weeks to start the dialogue</p>	
<p>IA - Worker Probation Period : In “X” country, the probation period cannot last more than three months but factory employees tell assessors they have been in probationary status for five months.</p>	<p>The employees' status must be upgraded. Communicate the new policy to the supervisors and workers. Ensure compliance in all other terms of employment.</p>	<p>2 weeks</p>	
<p>IA - Classification of Workers : The workers have been classified as trainees for over a year, even though they do the same work as regular workers.</p>	<p>The employees' status must be upgraded. Change the policy and communicate to the change to the employees.</p>	<p>2 weeks</p>	
<p>IA - Classification of Workers : Eighty-five percent of workers are temporary workers, not permanent.</p>	<p>The employees' status must be upgraded according to the amount of time they have been working. Change the policy and communicate the change to the workers.</p>	<p>2 weeks</p>	

<p>IA - Deposit for Tools : The factory requires workers to deposit money for scissors (Factory's reason: Tools will be lost or not returned after signing for them) and fines workers for broken scissors.</p>	<p>The factory must ensure: a policy and plan to pay back any deposits and be able to provide proof that the money was returned to workers. Change the practice (i.e., provide tools for the workers; develop incentive system for minimizing tool loss).</p>	<p>Immediately stop the practice / 2 weeks to implement new policy</p>	
<p>IA - Legal Documentation : The factory does not have documentation to show proof of worker employment. Where legally required, workers do not have written employment contracts.</p>	<p>If legally required, the factory must provide employment contracts to workers and properly maintain them. Processing time for new employees must not exceed 4 weeks. (Copies must also be kept in employee personnel files; see below. Also, factories must not use annually renewed employment agreements to evade labor laws; see Ethical Standards.)</p>	<p>4 weeks</p>	
<p>CI - Rules and Regulations : A factory, newly set-up, does not have any written internal company rules and regulations, but actions are based on the labor code.</p>	<p>The factory should establish internal rules and regulations, post the regulations in the language of the workers and visible to all workers, and provide education to workers/ management.</p>	<p>8 weeks</p>	
<p>CI - Worker Awareness : Some workers were completely unaware of the company rules and regulations.</p>	<p>The workers should be educated on the company rules and regulation. (Note: Rules and regulations must also be in writing and posted; see above.)</p>	<p>4 weeks to hold training sessions</p>	
<p>CI - Labor Law Posting : There are no labor laws posted in the factory.</p>	<p>The factory should post relevant laws visible to all workers.</p>	<p>4 weeks to complete</p>	
<p>CI - Worker Documentation : The factory maintains personnel files only for permanent workers. The factory manager says there are no personnel files for workers employed through the subcontractor. Files for permanent employees do not contain employment contracts or age-verification documents.</p>	<p>The factory should maintain all legally required documentation such as employment contracts and proof of age documentation for temporary, as well as permanent workers. The records should be updated regularly. (Note: records must be copies, not originals; see Prison, Forced or Trafficked Labor.)</p>	<p>8 weeks</p>	
<p>CI - Worker Documentation : The factory does not keep records for dismissed employees.</p>	<p>All paperwork related to dismissed employees (hiring documentation, disciplinary action, etc.) should be kept for 3 years.</p>	<p>8 weeks</p>	

Discrimination

While we recognize and respect cultural differences, we believe that workers should be employed on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs. We will favor business partners who share this value.

Requirements

- IA** Factories must have clear and established company policies (see General Labor Practices section). These company policies must be made publicly available to all workers, in a language that they understand, and applied in a standardized fashion throughout the facility. Discrimination in any form is prohibited.¹
- All policies must prohibit discrimination based on: age, caste, color, disability, gender, gender identity & expression, sexual orientation, health status (including HIV, hepatitis B), marital status, pregnancy status, parenthood, nationality, social, national or ethnic origin, migrant worker status, political opinion, race, religion, or union affiliation.
 - The diversity policy must affirm high-level support and direct top-level policies for gender equality and human rights.
 - Relevant policies must establish company-wide goals and targets for gender equality, including, gender-sensitive recruitment and retention practices, and must proactively recruit and appoint women to managerial and executive positions.
- CI** Factories must promote education, training and professional development for women². Including:
- Invest in workplace policies and programs that open avenues for advancement of women at all levels and across all business areas, and encourage women to enter nontraditional job fields.
 - Encourage equal access to all company-supported education and training programs, including literacy classes, vocational and information technology training.
 - Encourage equal opportunities for formal and informal networking and mentoring.

¹ ILO Equal Remuneration Convention, 1951: <https://is.gd/8edWYb>; ILO Discrimination (Employment and Occupation) Convention, 1958: <https://is.gd/HZyuYl>; ILO Migrant Workers (Supplementary) Convention, 1975: <https://is.gd/aZ1dUZ>; Termination of Employment Convention, 1982: <https://is.gd/XjQjwD>; Universal Declaration of Human Rights, 1948: <http://www.un.org/Overview/rights.html>

² UN Women's Empowerment Principles, 2016: <http://weprinciples.org/Site/Principle2/>

- IA Factories that are not legally required to do so, must not require female applicants, contract workers or employees to be tested for pregnancy. Pregnancy testing must be voluntary, not mandatory. Mandatory pregnancy testing (if not a legal requirement) is prohibited.¹
- IA It is prohibited for factories to ask female applicants about their pregnancy status; it is prohibited to consider pregnancy as a negative factor in factory hiring, salary, benefits, advancement, discipline, termination or retirement practices.
- CI It is prohibited for factories to shame, harass, or discriminate against female workers during their periods of menstruation. Offering information, goods, and services to women workers regarding menstrual hygiene (free or subsidized menstrual pads and pain medicine for menstrual cramping) is encouraged.
- CI Restricting or limiting reproductive rights is prohibited. Offering information and services to female workers in support of safe contraception is encouraged.
- IA Factories must meet any legal and TOE conditions on working environment for women and pregnant, post-partum and lactating women. Pregnant workers must not perform work that is prejudicial or poses documented risk to the health of the mother or that of her child.
- IA Factories must make reasonable accommodations in job conditions for pregnant women (such as job reassignments to non-hazardous or lighter work, provision of seating, extended breaks, etc.).







Note: *Levi Strauss & Co. maintains business partnerships in all parts of the world, and cultural practices and traditions differ in many of these places. Levi Strauss & Co. also maintains a global commitment to ensure that workers producing our products be treated solely on the basis of the ability to perform the job effectively.*


As a result, the TOE favors business partners who make employment decisions based solely on an individual's ability to perform his or her duties.

All the terms and conditions of employment in a facility producing goods for Levi Strauss and Co. are subject to this provision. This TOE provision seeks to ensure equality of treatment and opportunity, but it does not mandate, for example, that all workforces be evenly divided between men and women.

¹ ILO Maternity Protection Convention (Revised), 1952: <https://is.gd/aYOe0k>

Discrimination Non-Compliances & Corrective Actions

Finding	Corrective Action	Recommended Timeline	Verification Method
<p>IA – Discrimination : The factory posted a vacancy opening at the facility gate and it reads, “Wanted: Male sewer, Catholic, Single”.</p>	<p>The factory must remove discriminatory requirements for recruitment and hire. The factory must establish a policy on hiring that prohibits discrimination. Communicate the requirements to relevant HR and management staff.</p>	1 week	
<p>IA - Pregnancy Testing : As part of the pre-employment requirements, the factory requires the female workers to submit a medical exam which includes pregnancy testing.</p>	<p>The factory must remove discriminatory requirements for recruitment and hire. The factory must establish a policy on hiring that prohibits discrimination. Communicate the requirements to relevant HR and management staff.</p>	Immediately discontinue mandatory testing / 2 weeks for worker education	
<p>IA - Pregnancy Testing : Female workers are asked if they are pregnant or they are required to submit to mandatory pregnancy testing. If pregnant, the women are not hired.</p>	<p>The factory must remove discriminatory requirements for recruitment and hire. The factory must establish a policy on hiring that prohibits discrimination. Communicate the requirements to relevant HR and management staff.</p>	Immediately discontinue questioning	
<p>IA - Discrimination : On the workers’ labor contracts, a clause is included that says that the workers will “commit not to get pregnant or marry in the first year of employment”.</p>	<p>The factory must remove pregnancy-related or marriage-related discriminatory requirements for recruitment and hire. The factory must establish a policy on hiring that prohibits discrimination. Communicate the requirements to relevant HR and management staff.</p>	1 week for plan / 4 weeks to comply	
<p>IA - Discrimination : In country “X”, pregnant women are not legally allowed to perform overtime. However, pregnant women ask the factory for permission to work overtime so that they are able to earn more money. The factory allows the women to work overtime.</p>	<p>The factory must meet the legal requirements. The factory must communicate with identified workers regarding legal requirements that prohibit the overtime work which they seek.</p>	week for plan / weeks to comply	
<p>IA - Pregnant Workers : Women returning from maternity leave are treated as new employees and paid probationary wages for the first three months.</p>	<p>This is a discriminatory requirement. The factory must remove discriminatory requirements for recruitment and hire. The factory must establish a policy on hiring that prohibits discrimination. Communicate the requirements to relevant HR and management staff.</p>	week for plan / weeks to comply	

<p>IA - Pregnant Workers : During worker interviews, female workers say that factory does not give pregnant women lighter work.</p>	<p>The factory policy must be revised or established to include protections for pregnant workers. The factory must provide “light” work for pregnant workers.</p>	<p>week for plan / 2 weeks to comply</p>	
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Community Involvement

We will favor business partners who share our commitment to improving community conditions.

Requirements

- CI** The TOE encourages factories to contribute to the betterment of the community in which they are operating.

Note: *Community involvement is defined as “the good management of a company’s relationships with its stakeholders”. LS&Co. considers how its business affects the communities in which we produce and sell our productions.*

Many forms of community involvement exist, and LS&Co. and the Levi Strauss Foundation enable positive change in communities through grants to “not-for-profit” organizations (charities, non-governmental organizations, associations) and by encouraging employees to donate time to meet the needs of their community by helping schools, hospitals, the Red Cross and more. Support is provided by dollars, in product or by allowing employees to use company time for community activities.

Because of the emphasis on community involvement, it is important to LS&Co. that its suppliers contribute to the enhancement of their communities.

Foreign Migrant Workers

The purpose of this section is to define the minimum requirements regarding Foreign Migrant Workers from hiring through the end of employment.

This guideline is intended to:

- Enable employers to adhere to requirements and best practices in the employment of Foreign Migrant Workers and
- Inform Foreign Migrant Workers of their conditions of employment as well as their rights and responsibilities.

This guideline is a part of the Sustainability Guidebook, so, all the requirements defined in the Guidebook i.e., child labor, freedom of association, forced labor, trafficked labor, disciplinary practices, health & safety, and so on shall equally be followed.

A Foreign Migrant Worker is:

- A Foreign National employed in accordance with the requirements of the country of employment;
- For whom all administrative clearances either locally and/or in the country of origin of the Foreign Migrant Worker have been obtained by and through his employer; and
- Is employed under a contract of employment in the country of employment according to the statutory and regulatory requirements governing such contracts.

Requirements

General

- IA** All applicable legal requirements for both country of origin and country of employment shall be followed.
- IA** Sustainability Guidebook guidelines shall be followed if stricter than legal requirements, no matter the issue.

Recruitment

- IA** Recruitment practices shall be in compliance with the Sustainability Guidebook requirements as well as all legal requirements.
- IA** Recruitment shall be made via legally authorized recruitment bodies and/or by employers directly, if permitted by law. The recruitment of a Foreign Migrant Worker by an employer may be subject to fulfilling compulsory procedures and conditions.
- IA** Employer shall provide a list of the recruitment agencies with which they are working. This list must provide recruitment agency details, i.e., country, address,

nationality that they provide service for, info for sub- recruitment agency that they are working with (such as coverage area, etc.)

- IA** Factories must not require or allow employment agents to require any monetary deposits or keep any original identification documents. The practice of deposits (money/original identification) may prevent workers from freely ending their employment (within the legal context). This violation occurs most with a migrant labor force.
- IA** Employers shall sign a contract with recruitment agencies with which they are working, to describe all requirements defined in this guideline as well as any applicable legal requirements that are stricter than the guidelines.
- IA** Employers shall ensure the requirements, as well as the consequences for failing to adhere to the requirements, are well communicated to recruitment agencies. Copies of contracts shall be kept by the employer at least for five (5) years or as required by the law, whichever is longer.
- IA** No recruitment fee(s) shall be charged to any foreign migrant worker.
- IA** Where recruitment advertisements are used, they shall include the statement of “NO RECRUITMENT FEE” prominently displayed, and must include the employer’s contact details for complaints/communication in case of such requests.
- IA** In case no recruitment advertisement is used, recruitment agencies shall announce LS&Co.’s “NO RECRUITMENT FEE” policy explicitly by posters etc.
- IA** Where a recruited worker is assisted with legal documents, such as passport and visa, the actual costs may be payable by the worker if there is an agreement in writing. Those sorts of legally required fees must be communicated to candidates in advance, either by announcements and/or advertisements. Cumulative fees to be paid by an employee must not exceed 2 months compensation.
- CI** Copies of all advertisements / announcements shall be kept by employers for at least five (5) years, or as required by law, whichever period is longer.
- IA** Recruitment agencies must follow the same principles described in this procedure for any sub-recruitment agencies with which they work.
- IA** Where required, the employer must ensure that a recruited person has a medical examination in accordance with the provisions of the laws of the country of origin and ensuring data confidentiality.

- IA Employer must perform task test to determine the ability of employees in the country of origin.

Contract of Employment

- IA An employer shall strictly comply with labor laws with regard to terms and conditions included in the individual contract of employment of the country of employment.
- IA The terms and conditions of employment provided to foreign migrant workers shall be no less favorable than those provided to nationals.
- IA Contracts must be prepared in 3 languages (English, language of employee and language of country of employment). Employer shall be responsible for any deviation in translations. It must be stated that if there is a conflict between versions, the language of the contract signed by the worker will prevail.
- IA The migrant worker shall sign only one contract of employment with the employer at time of hire, though the migrant worker and the employer may subsequently modify the contract in writing.
- IA The contract of employment must contain at least (but not limited to) the following information:
 - The name and address of the employer
 - The name of the worker, his/her address and all other particulars necessary for his or her identification
 - The nature of the work and the place(s) where it is to be performed
 - The duration of the employment
 - The duration and conditions of probation (probation period must not be more than 3 months and/or requirements defined by country of employment, whichever is less)
 - Normal working hours, shift system, etc., as applicable
 - The rate of wages and other remuneration (for normal hours of work, overtime, night work, public holidays in accordance with country of employment standards) and methods of calculation thereof, the pay period and manner of payment of wages and other remuneration
 - Any legally required deductions to be taken from wages (i.e. social security, income tax etc.) in the country of employment
 - Bonuses and allowances, as applicable
 - The right to repatriation at the employer's expense on termination of the contract
 - Grounds on which a contract may be terminated (prior notice must not be more than 2 months for termination, unless local law provides otherwise)

- Medical examination requirements (as determined by the country of employment)
- Security conditions (e.g., curfews)
- Medical coverage and its terms & conditions
- Conditions regarding lodging and meals (the amount of for lodging and meals must not be more than 15% of minimum wage defined by country of employment)
- Air Passage: Round trip to the home country (or point of origin) shall be provided by employer with no recharge back to employees. In all conditions except the termination of contract by an employee, employer shall provide return ticket
- Terms and Conditions of vacation, annual leave, and/or sick/medical leaves (which cannot be less than required by local law)
- Details of money transfer alternatives in the country of employment
- Details of embassy/consulate in the country of employment for the nationality of foreign migrant workers
- Details of labor bureau offices, migrant worker desk numbers, hot lines (if applicable) in the country of employment

IA The contract must entitle either party to terminate the contract on giving due notice which is reasonable in length and not contrary to the interests of the worker (not more than 2 months, unless local law requires otherwise).

Remuneration and Benefits

IA All migrant workers must be paid NOT less than the minimum wages stated by the labor laws applicable to migrant workers, and receive all the applicable benefits outlined for migrant workers.

IA The remuneration to foreign migrant workers must be no less favorable than those provided to nationals.

IA No migrant worker shall be paid less than the minimum wage applicable to employees who are legal residents of the country of employment. Any increase in minimum wage in country of employment shall be applicable to migrant workers. Such increases cannot be accounted for through the substitution of lodging and/or meal provided to employees.

IA If an employee decides to renew employment contract without going back to country of origin, then employee must be eligible for reimbursement of round air trip at existing market rate.

Communication

- IA The employers must ensure proper communication between management and migrant workers.
- IA The employer shall appoint a facilitator who speaks the language of both the migrant workers and the employer.
- CI Employer representative should meet each nationality with the facilitator regularly to ensure the concerns are communicated appropriately to the top management. Records of such meeting should be kept for and made available for review for a period of five (5) years.

Accommodation and Food

- IA Employee has full control of their legal documents (e.g., passport) via employee's representative, lock boxes or coordination with embassy.
- IA Dormitory residents must not be restricted in their movements beyond what they agree is reasonable given legitimate concerns for their safety or consideration for the privacy of other residents. There must be no unreasonable restrictions, such as deposits.
- CI If the employer provides food to employees, the employer should respect the cultural needs and sensitivities of its migrant workers (e.g., consider making available different food types/groups for different nationalities).






Social Activities and Religious Practices








- CI The employer should respect religious practices of foreign migrant workers and provide appropriate conditions to accommodate their needs.



Repatriation

- IA Each foreign migrant worker shall be expatriated, at the expense of the employer, to the worker's home country, in the following circumstances:
 - On expiry of the contract where the contract is not voluntarily renewed by the employer and employee before the employee returns, or is required to return, to his/her home country,
 - On termination of the contract by reason of the employee's inability to comply with the provisions of the contract due to illness or incapacity,
 - Where the employer and worker have agreed it is in their mutual interest to terminate the contract.

Foreign Migrant Workers Non-Compliances & Corrective Actions

Finding	Corrective Action	Recommended Timeline	Verification Method
<p>IA – Retention of original documents : The factory requires migrant workers to submit original copies of Passport or national ID documents or deposit money, or any legal identification papers (unless requested by workers for security reasons), so workers cannot easily leave or resign from the factory.</p>	<p>The factory must return all deposited money; copy the said documents and then return to the workers and put a stop to the practice. The factory must have a policy/process in-place for workers who want to terminate employment (resigning) and this must be communicated to workers. Provide workers with means for securing money and/or papers themselves (e.g., secure storage).</p>	2 weeks	
<p>IA - Mandatory overtime hours : In the appointment letter of migrant workers , 11 working hours in a day (with 3 hours OT) has been mentioned as mandatory.</p>	<p>The employment contract must be revised immediately. Overtime must be strictly voluntary. Any form of pressure to perform overtime is prohibited. The factory shall correct their working hours policy for migrant workers and communicate with the workers accordingly.</p>	Immediately	
<p>IA - Freedom of Movement : In Factory “A”, foreign migrant workers are not allowed to go to the toilet or get a drink of water without prior consent of factory or production manager.</p>	<p>Migrant Workers must have access to toilets and drinking water at all times without asking permission.</p> <p>There must also be no restrictions on workers in performing traditional religious obligations.</p>	Immediately correct practice / 2 weeks to revise policy	
<p>IA - List of recruitment agencies : Factory “Y” was not able to provide any list/ details/ contract with the recruitment agencies that they are working with to hire foreign migrant workers.</p>	<p>Factory shall provide a list of the recruitment agencies with which they are working. This list must provide recruitment agency details (i.e., country, address, nationality) that they provide service for, info for any sub-recruitment agency with which they are working (e.g., coverage area). Factory shall also ensure the contracts with recruitment agencies are available for review.</p>	Immediately correct practice / 2 weeks to revise policy	
<p>IA - Recruitment fees : Factory “Z” withholds recruitment agency fees from the wages of the workers.</p>	<p>No recruitment fee(s) shall be charged to any foreign migrant worker. Factory shall immediately stop such practice and make back payment to the workers for the amount already deducted from their wages.</p>	Immediately correct practice / 2 weeks to revise policy	

<p>IA - Employment Contract : In Factory “X”, festival leave benefit was not mentioned in the appointment letter of foreign migrant workers, which is mentioned in the same of nationals.</p>	<p>Factory shall revise the employment contract with foreign migrant workers immediately and update the policy to ensure that the terms and conditions of employment provided to foreign migrant workers shall be not less favorable than those provided to nationals.</p>	<p>Immediately correct practice / 2 weeks to revise policy</p>	
<p>IA - Language of contract : Contracts are not prepared in the language of migrant workers, and workers are not fully aware about the terms and conditions of the employment contract.</p>	<p>Factory shall issue the translated copy of contract to the foreign migrant workers immediately in their languages and also ensure that contracts are prepared in 3 languages (English, language of employee and language of country of employment). Factory shall be responsible for any deviation in translations.</p>	<p>Immediately correct practice / 2 weeks to revise policy</p>	
<p>IA – Transfer : 100 foreign migrant workers of Factory “X” have been transferred to Factory “Y”. Factory “X” was not able to share any details of this transfer.</p>	<p>Factory shall strictly comply with labor laws with regard to terms and conditions included in individual contract of employment. Factory shall not transfer any worker to another factory/ organization going beyond the terms & conditions of employment contract.</p>	<p>Immediately</p>	
<p>IA - Notice period : In factory “Z”, the notice period to terminate the employment contract is not mentioned in the appointment letter of foreign migrant workers.</p>	<p>The factory must immediately revise the contract of migrant workers and ensure that the contract entitles either party to terminate the contract on giving due notice which is reasonable in length and not contrary to the interests of the worker. (Not more than 2 months, unless required by local law).</p>	<p>Immediately correct practice / 2 weeks to revise policy</p>	
<p>IA -Minimum Wages : Foreign migrant workers of factory “Z” were not receiving the minimum wages stated by the labor laws applicable to migrant workers. Also, said workers were receiving less wages and benefits than those provided to nationals.</p>	<p>Factory shall provide legal minimum wage to the foreign migrant workers and also ensure the wages and benefits to foreign migrant workers are not less favorable than those provided to nationals.</p>	<p>Immediately correct practice / 2 weeks to revise policy</p>	
<p>IA - Facilitator : No facilitator is present in factory “Y” who speaks the language of both the migrant workers and the employer.</p>	<p>Factory shall appoint a facilitator who speaks the language of both the migrant workers and the employer, to ensure proper communication between management and the workers.</p>	<p>2 weeks</p>	
<p>IA - Repatriation cost : In Factory “X”, repatriation cost of migrant workers found deducted from the amount of final settlement.</p>	<p>Factory shall immediately stop this practice and ensure that migrant workers are expatriated at the expense of the employer to the worker’s home country.</p>	<p>Immediately correct practice / 2 weeks to revise policy</p>	

<p>CI - Food : In factory “Z”, foreign migrant workers of a specific country are informed that the factory was not providing their preferred types of foods during lunch, whereas the nationals and migrant workers of other countries are receiving foods during lunch as per their cultural needs.</p>	<p>Factory shall respect all employees’ cultural food needs, regardless of employee country of origin and regardless of whether the employee is a foreign migrant worker or a national.</p>	<p>4 weeks to develop the policy</p>	
<p>CI - Religious practices : A group of foreign migrant workers who are all Muslims are not provided enough time for prayer during Ramadan (fasting month of the Muslims).</p>	<p>The employer should respect religious practices of foreign migrant workers and provide appropriate conditions for their needs.</p>	<p>4 weeks to develop the policy</p>	

Dormitories

Business partners who provide residential facilities for their workers should provide safe and healthy facilities.

Requirements

- IA** Dormitory residents must not be restricted in their movements beyond what they agree is reasonable given legitimate concerns for their safety or consideration for the privacy of other residents. There must be no unreasonable restrictions, such as deposits.
- IA** Dormitories must be in compliance with all housing laws and regulations, occupancy requirements, and health and safety laws.
- IA** Dormitories must have at least 2 unobstructed emergency exits per floor that lead to a safe location.
- IA** Exits must be marked by signs that are internally illuminated and backed up by battery.
- IA** Exit doors must open in the direction of egress (outwards), be unlocked from the inside and must require no special operation.
- IA** Dormitories must have an audible fire alarm that can be heard in all parts of the building.
- IA** There must be smoke detectors on each floor of a dormitory.
- IA** A fire extinguisher must be located within 23 m (75 feet) of every bed.
- IA** Fire/emergency evacuation drills must be practiced at least once a year so that residents are familiar with evacuation procedures.
- IA** There must be 3.7 square meters per worker. In addition, ceilings in the room must be 2.2 meters (7 feet) high.
- IA** Toilets must be clean (recommended is 3x per day), functioning, well-lit, well-ventilated, and stocked with toilet paper and soap. In addition, there must be at least one toilet, separated and marked by gender, for every 15 occupants whose units do not have private toilets. Toilets must be connected to a public sewer system or septic tank.






- CI All hallways and exits should be clear and unobstructed at all times.
- CI Dormitories should be safe, well-lit, well-maintained, clean, and adequately heated and cooled.
- CI Dormitories should have emergency lighting installed in exits, hallways and stairwells.
- CI A first aid kit should be provided in a visible, accessible location. In addition, trained first aid personnel should be readily accessible and there should be adequate means for reporting emergencies (such as security personnel with phones).
- CI A lockable space sufficient for all work and non-work items with at least 1.7 square meters storage per worker should be provided.
- CI At least one shower with both hot and cold water should be provided for every 10 occupants. In addition, showers should be separated and marked by gender. Shower drains should be connected to a public sewer system or septic tank.
- CI At least one sink with both hot and cold water should be provided for every six occupants. Sinks and drains should be connected to a public sewer system or septic tank.
- CI The living quarters should be clean.
- CI Cafeterias and kitchens should be clean, equipped with cooking stoves, mechanical refrigeration, adequate counter space for food preparation, dining table and seats, sinks with hot and cold running water, and proper lighting and ventilation. Food storage and preparation should be sanitary. Also, cafeteria kitchens should contain a fire extinguisher and a fire blanket.
- CI Potable water for drinking should be available on each floor.
- CI Floors in the living quarters should be dry.
- CI All equipment and fixtures should be well-maintained and equipped with appropriate safety devices.
- CI Refuse containers should be located away from living accommodations, kept in a sanitary manner (a twice per week cleaning is recommended) and should be adequate for occupants' needs.

- CI At least one washing machine per every 50 occupants or one laundry tray/tub per 30 occupants should be provided. A drying area with adequate ventilation should also be provided.
- CI A recreational area should be provided for use by dormitory residents.

Dormitories Non-Compliances & Corrective Actions

Finding	Corrective Action	Recommended Timeline	Verification Method
<p>IA – Dormitories : Workers are not allowed to freely leave dormitories, i.e. They must deposit personal documents with the guards before they are allowed to leave.</p>	Cease unreasonable restrictions and communicate the changes to the workers.	Immediately / 2 weeks for communication	
<p>IA - Dormitories : In Country X, some dormitory rooms are being converted to warehouse/workshop areas.</p>	The dormitory rooms must be used for living space only. They must be converted back to living areas.	4 weeks for plan / 4 weeks to comply	
<p>IA - Dormitories : There is only one exit on the second floor of a dormitory through one central staircase.</p>	Construct at least one additional emergency exit.	4 weeks	
<p>IA - Dormitories : The second floor exit was not marked with an exit sign.</p>	Install the necessary signs.	1 week for signage / 3 weeks for hiring	
<p>IA - Dormitories : One of the emergency exits is locked and has a box next to it that has a glass door that has to be broken to get the door key.</p>	Change the doors so that they remain unlocked from the inside and require no special operation. The doors must open outward.	2 weeks	
<p>IA - Dormitories : When asked, the contractor says that the dormitory does not have fire alarm.</p>	Install a fire alarm.	4 weeks	
<p>IA - Dormitories : No smoke detectors were found in dormitory sleeping areas and hallways.</p>	Install the necessary detectors.	Immediately take action to acquire / 3 weeks to correct	
<p>IA - Dormitories : There is only one fire extinguisher near the kitchen of the dormitory. There are no extinguishers in or near the sleeping areas.</p>	Install fire extinguishers within 23 m (75 feet) of every bed.	1 week	


<p>IA – Dormitories : The space for each occupant is less than 3.7 square meters or local requirement.</p>	<p>Reduce the number of people per room or increase the number of rooms.</p>	<p>8 weeks</p>	
<p>IA - Dormitories : The toilets are dirty and not cleaned on a regular basis.</p>	<p>Clean toilets and ensure that regular cleaning is performed.</p>	<p>2 weeks</p>	
<p>IA - Dormitories : Residents say there has never been a fire drill.</p>	<p>Practice the drill annually and document the results.</p>	<p>2 weeks</p>	
<p>CI - Dormitories : The hallway outside the kitchen is partially blocked by cans of fuel.</p>	<p>Clear hallways, exits.</p>	<p>Immediately</p>	
<p>CI - Dormitories : During a visit to the factory, a TOE assessor notices that the dormitory rooms are too hot.</p>	<p>Make dorms safe, well-lit and adequately heated/cooled/ventilated.</p>	<p>4 weeks</p>	
<p>CI - Dormitories : There is no emergency lighting on the second floor of the dormitory.</p>	<p>Install the necessary lights.</p>	<p>Immediately take action to acquire / 3 weeks to correct</p>	
<p>CI - Dormitories : There is no first aid kit in the dormitories, only in the factory.</p>	<p>Provide a stocked kit. Kit to include: bandages, sterile gauze/cotton balls, adhesive tape/plasters, disinfecting/antiseptic agent, antibacterial ointment, sterile/surgical gloves, pain reliever tablets and tourniquet.</p>	<p>2 weeks</p>	
<p>CI - Dormitories : During dorm tour, only small lockers were provided to workers for some of their belongings. The lockers are not locked.</p>	<p>Improve the locker size and ensure that the lockers can be locked for the safekeeping of the workers' possessions.</p>	<p>4 weeks</p>	
<p>CI - Dormitories : The bathing room is an open room that does not allow for worker privacy.</p>	<p>Provide hot and cold water and use partitions or curtains between the different showers for privacy.</p>	<p>4 weeks</p>	

<p>CI - Dormitories : There is only one sink on each floor of a dormitory, in which there 40 people housed.</p>	<p>Provide at least one sink for every six occupants.</p>	<p>4 weeks</p>	
<p>CI - Dormitories : The toilets are dirty and not cleaned on a regular basis.</p>	<p>Clean toilets and ensure that regular cleaning is performed.</p>	<p>2 weeks</p>	
<p>CI - Dormitories : The dormitories are untidy and there is no regularly scheduled cleaning of them.</p>	<p>Proper housekeeping schedules should be in-place. The schedule should be communicated to the workers.</p>	<p>2 weeks</p>	
<p>CI - Dormitories : The kitchen is in poor sanitary condition.</p>	<p>Clean kitchens and make sure regular cleaning is performed. Upgrade the facilities if needed. Install fire extinguisher or blanket.</p>	<p>Immediately to clean / 4 weeks to install new fixtures</p>	
<p>CI - Dormitories : Workers say water is not safe to drink; they must buy their own.</p>	<p>Provide potable water for the workers.</p>	<p>2 weeks</p>	

Permits

Requirements

- IA** Permits must be available for review.
- IA** Factories must have all current permits as required by law (including business and operating permits, fire-safety and electrical certificates, permits for equipment such as boilers, generators, elevators, fuel and chemical storage tanks, etc. and building, emissions and waste-disposal).

Finding	Corrective Action	Recommended Timeline	Verification Method
<p>IA - Permits : The factory claims that facility has permits but the person in-charge is on leave or the documents are locked away. The factory manager says he has current permits and is willing to show them but cannot. Previous year permits are available. (Note: Refusal to provide TOE assessors with access to records is a different violation; see Ethical Standards).</p>	<p>Submit photocopies of permits to assessor.</p>	<p>1 week to submit proof of up-to-date permits</p>	
<p>IA - Permits : The factory has failed to produce any records of business operating permit for current year, nor any permits for the previous year. (Note: Refusal to provide TOE assessors with access to records is a different violation; see Ethical Standards).</p>	<p>Obtain/renew the necessary permits from authorities. Submit photocopies of permits to assessor.</p>	<p>2 weeks to submit proof of application / 8 weeks to get approval</p>	