



Production Facility Handbook

WORLDWIDE RESPONSIBLE ACCREDITED PRODUCTION (WRAP)

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INDEX

I. INTRODUCTION	3
II. OVERVIEW OF WRAP CERTIFICATION PROCESS	4
III. WRAP PRINCIPLES	5
IV. PARTICIPATING ORGANIZATIONS	6
V. REGISTERING WITH WRAP	7
VI. THE SELF ASSESSMENT PROCESS	8
VI.1 Preparation for Self-Assessment	9
VI.2 Demonstrating Adoption, Deployment and Monitoring	10
VI.2.i Examples of Evidence of Adoption	11
VI.2.ii Examples of Evidence of Deployment	12
VI.2.iii Examples of Evidence of Monitoring	13
VI.3 Objective Evidence of Compliance	14
VII. THE AUDIT PROCESS	17
VII.1 Initial Audits	17
VII.2 Corrective Action Plan Follow-up Visits	17
VII.3 Unannounced Surveillance Visits	18
VIII. RECERTIFICATION	18
IX. WRAP CERTIFICATION LEVELS	19

I. INTRODUCTION

The Worldwide Responsible Accredited Production (WRAP) program is the world's largest facility certification program focused on the apparel, footwear and sewn products sectors. Facilities receive a certification of six months to two years based on compliance with the 12 WRAP Principles.

WRAP certifies factories, not brands or businesses. WRAP is not a membership organization; it is a non-profit, non-governmental organization, and has a Board of Directors that is independent of any industry group.

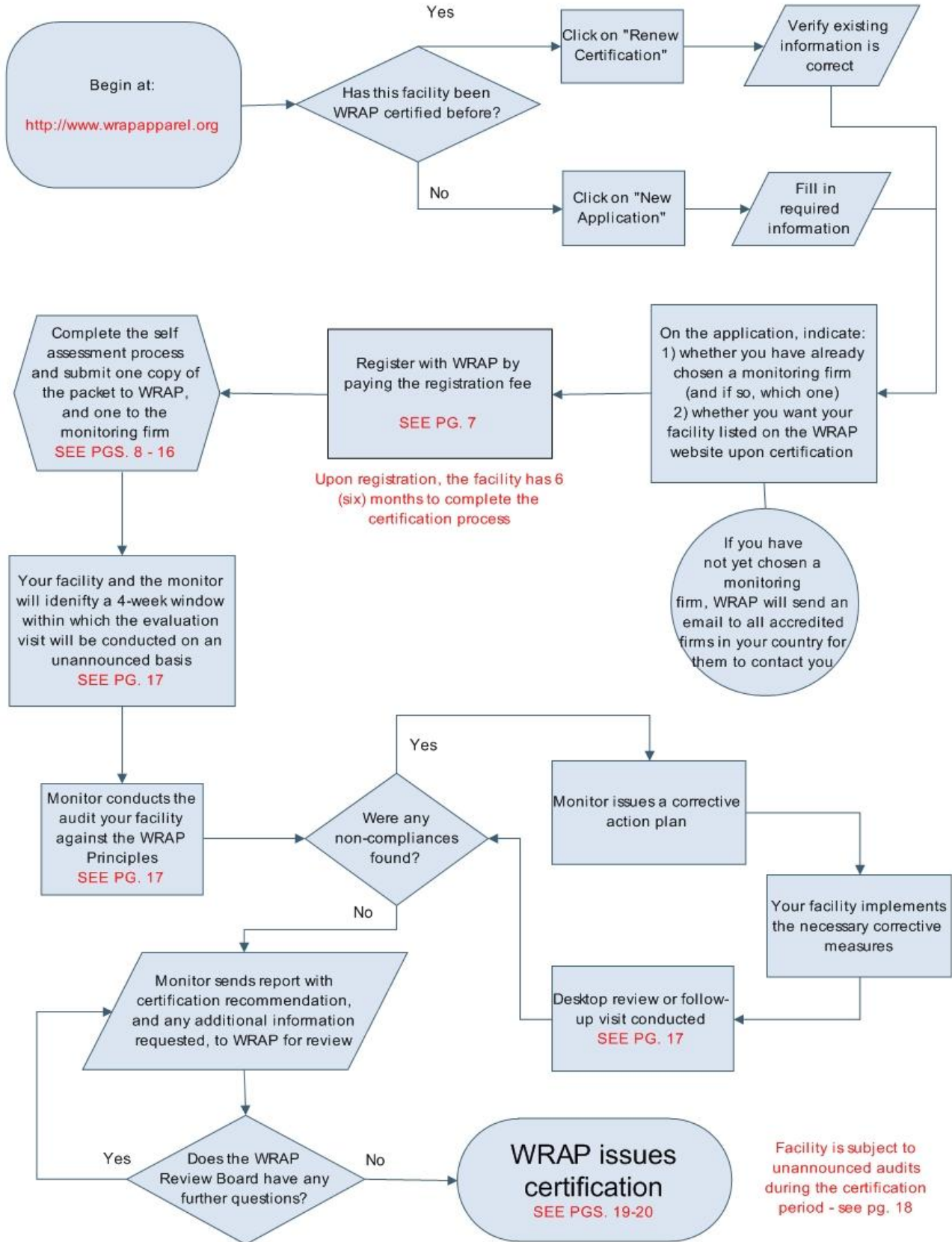
The WRAP Principles (see page 5) are based on generally accepted international workplace standards, local laws and workplace regulations that encompass human resources management, health and safety, environmental practices, and legal compliance also including import/export and customs compliance and security standards.

WRAP has adopted a management systems approach toward compliance which requires that senior management adopt the WRAP principles in writing, and assign the necessary staff to ensure the required practices are implemented throughout the facility, and that an internal audit system is in place to ensure continuous compliance. Facilities must undergo a rigorous self-assessment and then be audited by an independent third-party monitoring company.

WRAP enjoys wide support from the global apparel industry but is, at the same time, independent of the industry. Active support is provided by the International Apparel Federation, the American Apparel & Footwear Association and more than 20 additional trade and industry associations from around the world (see page 6).

The flowchart on the next page provides an overview of the WRAP certification process. Details about specific steps in that process follow in the subsequent pages (relevant notations are included in the flowchart).

II. OVERVIEW OF WRAP CERTIFICATION PROCESS



III. WRAP PRINCIPLES

Compliance with Laws and Workplace Regulations Manufacturers of sewn products will comply with laws and regulations in all locations where they conduct business.

Prohibition of Forced Labor Manufacturers of sewn products will not use involuntary or forced labor – indentured, bonded or otherwise.

Prohibition of Child Labor Manufacturers of sewn products will not hire any employee under the age of 14, or under the age interfering with compulsory schooling, or under the minimum age established by law, whichever is greater.

Prohibition of Harassment or Abuse Manufacturers of sewn products will provide a work environment free of harassment, abuse or corporal punishment in any form.

Compensation and Benefits Manufacturers of sewn products will pay at least the minimum total compensation required by local law, including all mandated wages, allowances & benefits.

Hours of Work Hours worked each day, and days worked each week, shall not exceed the legal limitations of the countries in which apparel is produced. Manufacturers of sewn products will provide at least one day off in every seven-day period, except as required to meet urgent business needs.

Prohibition of Discrimination Manufacturers of sewn products will employ, pay, promote, and terminate workers on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs.

Health and Safety Manufacturers of sewn products will provide a safe and healthy work environment. Where residential housing is provided for workers, manufacturers of sewn products will provide safe and healthy housing.

Freedom of Association and Collective Bargaining Manufacturers of sewn products will recognize and respect the right of employees to exercise their lawful rights of free association and collective bargaining.

Environment Manufacturers of sewn products will comply with environmental rules, regulations and standards applicable to their operations, and will observe environmentally conscious practices in all locations where they operate.

Customs Compliance Manufacturers of sewn products will comply with applicable customs laws, and in particular, will establish and maintain programs to comply with customs laws regarding illegal transshipment of sewn products.

Security Manufacturers of Sewn Products will maintain facility security procedures to guard against the introduction of non-manifested cargo into outbound shipments (i.e. drugs, explosives biohazards and /or other contraband).

IV. PARTICIPATING ORGANIZATIONS

INTERNATIONAL APPAREL FEDERATION - IAF

AMERICAN APPAREL & FOOTWEAR ASSOCIATION - AAFA (USA)

ASOCIACIÓN DOMINICANA DE ZONAS FRANCAS, INC. (DOMINICAN REPUBLIC)

ASOCIACIÓN GREMIAL DE EXPORTADORES DE PRODUCTOS NO
TRADICIONALES - AGEXPRONT (GUATEMALA)

ASOCIACIÓN HONDUREÑA DE MAQUILADORES (HONDURAS)

ASOCIACIÓN NACIONAL DE INDUSTRIA, CÁMARA SECTORIAL
ALGODÓN-FIBRAS-TEXTILES-CONFECCIONES DE COLOMBIA (COLOMBIA)

ASOCIACIÓN SALVADOREÑA DE LA INDUSTRIA DE LA CONFECCIÓN
(EL SALVADOR)

ASSOCIATION DES INDUSTRIES D'HAITI (HAITI)

CÁMARA NACIONAL DE LA INDUSTRIA DEL VESTIDO (MÉXICO)

CÁMARA TEXTIL COSTARRICENSE (COSTA RICA)

CARIBBEAN CENTRAL AMERICAN ACTION - CCAA (USA)

CLOTHING FEDERATION OF SOUTH AFRICA (SOUTH AFRICA)

COMISIÓN NACIONAL DE ZONAS FRANCAS (NICARAGUA)

CONFEDERATION OF GARMENTS EXPORTERS OF THE PHILIPPINES, INC.
(PHILIPPINES)

HONG KONG EXPORTERS' ASSOCIATION (HONG KONG)

ISTANBUL TEXTILE AND APPAREL EXPORTERS' ASSOCIATION (TURKEY)

JAMAICA APPAREL INSTITUTE (JAMAICA)

MAURITIUS EXPORT PROCESSING ZONE ASSOCIATION - MEPZA (MAURITIUS)

SRI LANKA APPAREL EXPORTERS ASSOCIATION (SRI LANKA)

TEXTILE COUNCIL OF HONG KONG LTD. (HONG KONG)

AFRICA EXPORTERS ASSOCIATION - AEA (SOUTH AFRICA)

CLOTHING INDUSTRY TRAINING AUTHORITY - CITA (HONG KONG)

THE HOSIERY ASSOCIATION (USA)

V. REGISTERING WITH WRAP

Once you have completed the application process, you will receive a WRAP ID number. Please use this number in all correspondence with WRAP.

You will then need to register with WRAP by paying the registration fee. You can do so online at the end of the application by your submitting credit card information (WRAP accepts VISA and MasterCard) or by sending payment via wire transfer or check (details will be emailed to you upon completion of the application).

The registration fee is US\$1195.00 for all facilities, except those re-applying prior to the expiration of a current C level certificate, in which case the fee is US\$895.00 (see pages 19-20 for further details). The registration fee is non-refundable and in the absence of extenuating circumstances, if the facility does not obtain certification within six months from registration, the facility will have to renew their registration with the Program and pay the fee again.

Upon payment of the registration fee, WRAP will issue a receipt, which the facility will have to show the monitors before an audit of the factory can be conducted.

NOTE FOR PRODUCTION FACILITIES WITH MULTIPLE PLANTS

WRAP is a factory-based certification program. Thus, each independent production unit must register separately with WRAP.

One simple way to determine if multiple plants require independent registration is to refer to the legal status of each plant— each independent legal entity that has its own separate business license must also have its own separate registration.

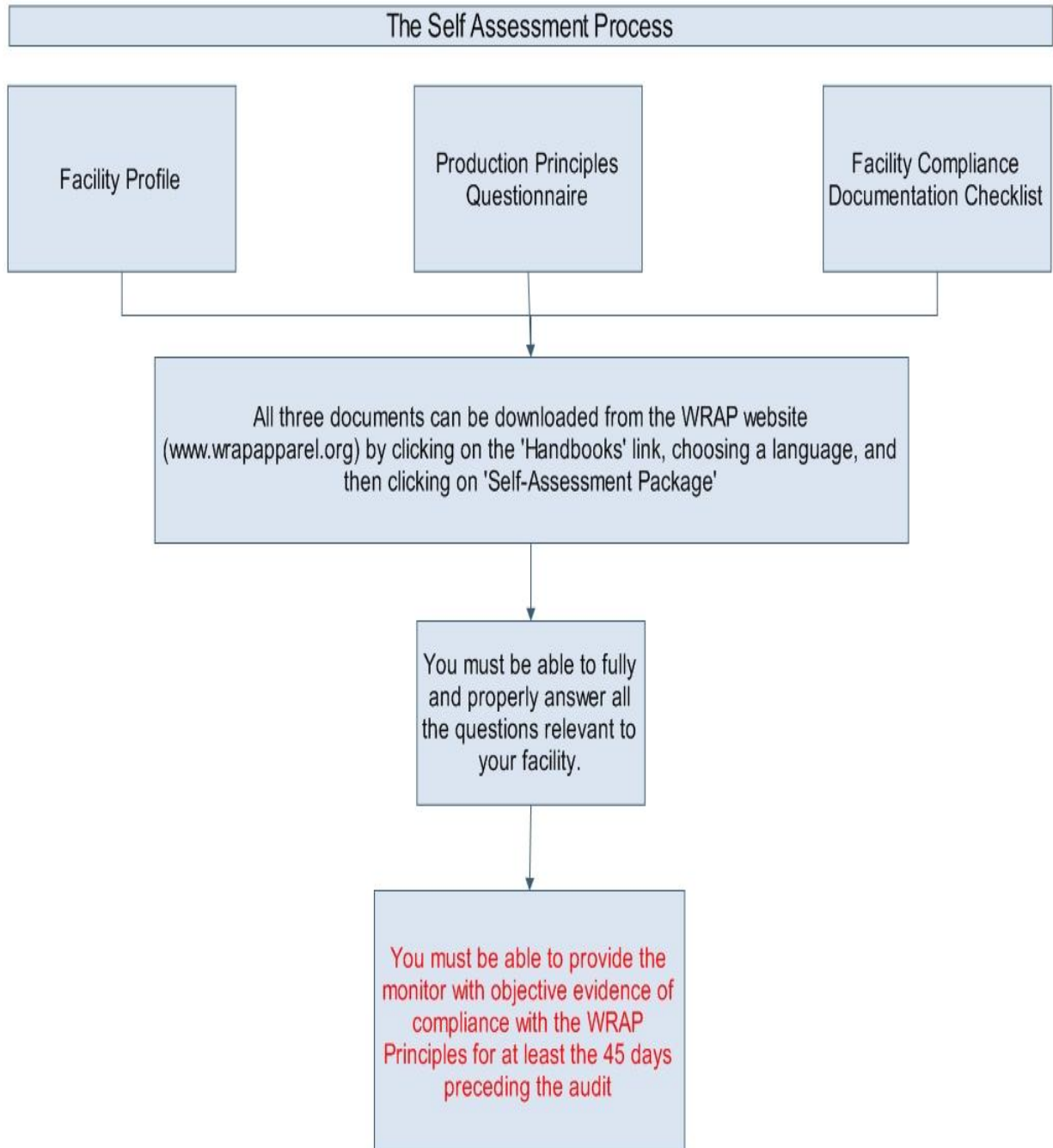
Thus, multi-plant compounds, where each plant is an independent legal entity or manufacturing unit must register each plant separately with WRAP, even if all of them are under the same ultimate ownership and upper management.

On the other hand, production facilities that are made up of multiple buildings that all function together as one manufacturing unit, and are all included under the same business license (ie, that all together are one legal entity), can submit a single registration for WRAP. Note that all the buildings will be included in the audit.

A facility's WRAP certificate will include the exact physical address of the business entity being certified, and will apply to only that entity itself, and not to any other facilities under the same ownership and/or in the same compound.

VI. THE SELF-ASSESSMENT PROCESS

Prior to the audit, the factory will have to complete the self-assessment process and submit one copy of the packet to WRAP and another to the monitor. The next 8 pages will provide details on this important step in the process, which is outlined below:



VI.1 Preparation for Self-Assessment

The Self-Assessment Packet can be downloaded from the WRAP website (www.wrapcompliance.org) by clicking on the 'Handbooks' link, choosing a language, and then clicking on 'Self-Assessment Package.'

Before you fill in the documents needed, the following preparatory steps are required:

A. Understanding the Principles

Read the Worldwide Responsible Apparel Production Principles and this Handbook.
Send any questions you have to WRAP.

B. Establishing Accountability for Compliance

Identify the individual(s) responsible for performing the self-assessment.
Get the support of senior management to emphasize the importance of the assessment process.
Tell employees about senior management's support, expectations, and their responsibilities in the WRAP Certification Program.

C. Reviewing Existing Practices

Determine whether your facility has the practices and evidence related to each Principle and each question on the Production Principles Questionnaire. Use the Compliance Documentation Checklist as a guide for evidence of compliance.

Review copies of all written manuals, bulletins, and procedures relating to the labor practices, factory conditions, environmental and customs compliance covered by the Principles.

Review internal procedures for supervising and monitoring the compliant practices relating to the WRAP Production Principles.

Note: WRAP accepts the integration of management systems. We need you to show through your WRAP policy manual how different parts of your management systems meet the WRAP requirements.

Three key words and actions to successful program implementation:

To be in compliance with the Principles, your facility must be able to demonstrate the following three things -

- (1) adoption,
- (2) deployment, and
- (3) monitoring of all required practices.

The next section covers each of these in detail.

VI.2 Demonstrating Adoption, Deployment and Monitoring

For each action, the following questions must be answered and proper evidence supplied.

1. Adoption

Has your facility adopted the WRAP Practices?
Have individuals been assigned responsibility for the communication, deployment, and monitoring of the Practice?

2. Deployment

Are the Practices being followed consistently?
Has sufficient time elapsed since adoption of the Practice to demonstrate consistent use?
Is the Practice communicated and understood by relevant employees?

3. Monitoring

Does your facility routinely verify the effectiveness of the Practices?
Are deviations from the Practices identified, analyzed, and investigated?
Does your facility correct non-compliance in a timely manner?

The common evidence your facility must use to demonstrate the adoption, deployment and monitoring of required Practices is described below.

This evidence is mandatory for each practice referred to in the Production Principles Questionnaire, unless designated “when appropriate.” Additional specific evidence to demonstrate required Practices is detailed for the relevant questions in the Questionnaire.

Providing Evidence of Adoption, Deployment and Monitoring

The examples on each of the following three pages draw upon sample WRAP Principles for illustration, and cite specific questions found in the Production Principles Questionnaire, where relevant.

Note: Demonstrating your facility has accomplished one or two of the above (ie, it has either adopted, deployed or monitors) the required Practices in any question will not be enough to respond affirmatively to the question. Your facility must also demonstrate it does ALL THREE in relation to the required Practices in the question.

VI.2.i Examples of Evidence of Adoption

a. Written policies and procedures.

Example: Your facility's written operating policy manual states:

Your facility will not hire any employee under the age of 14 (Principle 3).
Your facility obtains proof of age documentation from all potential workers prior to hiring and critically examines the documentation for authenticity? (Question 3.1).
Interviews are required for all prospective employees. (Question 3.3).

b. Designated individual(s) is/are responsible for communicating, deploying, and monitoring the Practice.

Evidence of this includes a job responsibility chart or matrix -- which identifies position titles, organization charts, and/or other means of communicating responsibilities.

Example: The job responsibility chart or matrix identifies the facility's human resources manager with responsibility for the following:

Responsibility for communicating to all employees your facility's policy prohibiting discrimination on the basis of personal characteristics or beliefs, including the prohibition of pregnancy testing as a condition of employment (Question 7.1, 7.2, 7.5).
Responsibility for obtaining signed statements from managers affirming their understanding of the facility's anti-discrimination policy and procedures (Question 7.1).
Responsibility for investigating and resolving reported violations of the anti-discrimination policy (Questions 7.1, 7.2).

c. Programs and materials to train relevant individuals on the Practice, when appropriate.

Example: Your facility has trained all individuals participating in the hiring process on:

Facility policies and procedures prohibiting involuntary or forced labor (Question 2.1).
Pre-screening procedures to confirm prospective employees are at or above the minimum age (Questions 3.1, 3.2).
Relevant laws on hours of work and days off (Question 6.2).
Your facility's anti-discrimination policy (Questions 7.1, 7.2)

VI.2.ii Examples of Evidence of Deployment

a. Effective communication of the Practice to employees.

Evidence includes posters, memoranda, company newsletters, electronic communications, company handbooks and policy manuals, reports or minutes of meetings, and/or materials from conventions, courses, and seminars (in the native language(s) of management and employees).

Example: Posters prominently placed in your facility, in the native language(s) of management and employees, state the following:

Minimum age requirements (Principle 3).

Minimum wage rates, benefits policies and additional payment information (Principle 5).

Regular and overtime hour policies (Question 6.2).

Anti-discrimination policies for your facility (Question 7.1).

b. Relevant individuals understand the Practice.

Evidence includes signed statements by employees, written in their native language, affirming their understanding of the Practice.

Example: Employees of your facility interviewed by the independent monitor understand relevant machinery and equipment, chemical, and fire safety procedures (Question 8.5).

c. Your facility follows the Practice consistently.

Evidence includes sufficient time elapsing since the adoption of the Practice to demonstrate consistent use.

Example: Your facility's health and safety records go back ninety (90) days with entries at appropriate intervals (Question 8.1).

VI.2.iii Examples of Evidence of Monitoring

a. Your facility routinely verifies the effectiveness of the Practice.

Example: Your facility periodically reviews age documentation records and hiring procedures to verify that age documentation is obtained from all potential workers and that all prospective employees are interviewed (Questions 3.1, 3.2).

b. Documentation is maintained, when appropriate.

Example: Your facility maintains comprehensive payroll records to support all employee compensation, including overtime calculations (Questions 5.4, 5.5).

c. Your facility provides employees a confidential mechanism to communicate violations (e.g., illegal transshipment activities, payroll discrepancies, mental or physical abuse) of the Practice to management and investigates reported violations and documents their resolution.

Mechanisms may include an anonymous suggestion box, posting of the contact information for local agencies with oversight on employment matters, or maintaining an employee telephone complaint line for your facility.

Example: Your facility receives an anonymous call on its “employee complaint line” from an employee who claims that her production supervisor does not allow employees to talk to one another during breaks. Management investigates the claim and documents a meeting with the supervisor where he is told to stop inhibiting employees’ rights of free association (Principle 9).

d. Your facility identifies deviations from the Practice and corrects noncompliance in a timely manner, when appropriate.

Evidence includes records of violations, modification of written policies and procedures, training, and/or remedial action.

Example: Your facility discovers during a review of payroll records that the local minimum wage increase was implemented at your facility two weeks after the change took effect under local law. Your facility corrects employee wage calculations going forward and reimburses the wage underpayment (Questions 1.1, 5.1).

e. Your facility imposes disciplinary action on management and employees responsible for violations of the Practice, when appropriate.

Disciplinary action includes verbal warnings, written warnings (signed by the disciplined employee and management, and maintained in personnel files), suspension, and termination.

Example: A production supervisor found using corporal punishment is appropriately disciplined (Principle 4).

VI.3 Objective Evidence of Compliance

Objective evidence is needed to demonstrate compliance with the WRAP Principles. Your facility cannot respond properly to the questions contained within the Production Principles Questionnaire unless you supply appropriate objective evidence of compliance at your facility.

Sample answers to questions from the production principles questionnaire in the Self Assessment Package:

Below you will find sample answers to three questions in the production principles questionnaire which is part of the Self Assessment Package, with some notes to indicate the types of objective evidence that can be used.

The complete questionnaire can be downloaded from the WRAP website (www.wrapapparel.org) by clicking on the 'Handbooks' link, choosing a language, and then clicking on 'Self-Assessment Package.'

EXAMPLE 1

Question 1.1 Does your facility obtain current information on local and national laws and regulations concerning each of the Principles, and does your facility promptly incorporate this information in your business practices? Yes
 No

Please state your objective evidence to support this question.

We use the services of XYZ labor lawyers on a three monthly basis or when relevant they supply us with all relevant law changes. All applicable laws are kept in a file named ("current labor laws") This file is location in the HR office and sections disseminated to the appropriate individuals. The practice is covered by procedure No 123.

Types of objective evidence may include.

- National Law file (At the Human Resources/Management Office)
- Labor Law Collection (At Human Resources/Management Office)
- Newspaper subscription(s) (At the Human Resources/Management Office)
- Labor Code (At the Human Resources/Management Office)
- Political Constitution (At the Human Resources/Management Office)
- WRAP Production Principle Compliance Policy (At Human Resources/Management Office)

EXAMPLE 2

Question 3.1 Does your facility obtain proof of age documentation from all potential workers prior to hiring and review the documentation for authenticity
 Yes No

Please state your objective evidence to support this question.

At interview the human resource manager is responsible for obtaining recognised age documentation before a job is offered. Copies of this evidence is photocopied and kept with successful applicants personnel file in the HR office. If no evidence of age can be supplied no job offer is made.

Types of objective evidence may include.

Recruitment and Selection Policy Manual (held at Human Resources/Management Office)

Internal Human Resources Audits (Held at Human Resources/Management Office)

Checklists (verification) stamp in the cover of all the employee files (Held at Human Resource/Management office).

The “Types of objective evidence” listed above are only suggestions many more may exist. The locations where this evidence/documentation should be retained are only guidance. It is your facilities choose as to how this information is kept. It must be easily retrievable and available to the monitor. It is also recommended that the location of this documentation should be retained in organized files.

EXAMPLE 3

Question 5.1 a. Does your facility have practices to ensure employees are compensated consistent with their terms of employment and in accordance with local laws and regulations? Yes No

Please state your objective evidence to support this question.

All employees are paid at least the minimum wage as required by national and local labor law. facility procedure 456 covers the actual process of correct payment. The facility only pay minimum wage for the initial 10 week training period, after that all employees move to a rate that is as a minimum not less than the minimum wage plus 10%.

b. How are your employees paid? Cash Check Auto pay
 Other

c. How often are employees paid? Weekly Bi-weekly Monthly
 Other

d. What is the legal minimum wage required for this facility? **300per month**

e. How is the pay rate calculated? Hourly Piece rate
 Combination Other

If other pay method, how is pay calculated? **N/A**

f. For production piece rate workers, how does the facility assure they earn at least the minimum wage?

If the minimum wage has not been achieved the facility makes up the wage to the employees relevant wage. If this happens with the same employee more than three times in a pay month, the work study department will investigate and appropriate actions will be taken this may include re-timing the job or more training for the employee.

g. Is housing, meals, health benefits, or any other type of benefit or compensation included in the minimum wage calculation? Yes No

If Yes, please explain.

Housing is provided to all employees at a small charge deducted directly from their wages.

VII. THE AUDIT PROCESS

VII.1 INITIAL AUDITS

Once the facility is confident it has completed the self-assessment process, it should then contact a WRAP accredited independent monitor for the country it operates in. A complete list of WRAP accredited monitors by country can be found on the WRAP website (www.wrapcompliance.org), by clicking on the “Accredited Monitors” link on the lower right hand side.

Once the facility selects and contracts with the chosen monitoring firm, a four-week window of time will be decided upon, within which the monitoring firm will conduct the initial audit on an unannounced basis. Note that a copy of the facility’s self-assessment documents should be submitted to the monitor at least 15 days before the audit takes place.

The monitor(s) will conduct an on-site evaluation at the facility, with the aim of verifying that the facility has the required evidence to demonstrate compliance with all 12 WRAP Production Principles. At the end of the evaluation, the monitor(s) will inform the facility of the findings through a summary report, with a full report due within 10 working days.

If the facility is found to be in full compliance, the monitor(s) will inform the management that they will be submitting a certification recommendation to WRAP. If the audit reveals improvements are required, a corrective action plan will be issued, and a follow-up will be required.

VII.2 CORRECTIVE ACTION PLAN FOLLOW-UP VISITS

Follow-up visits where the initial on-site evaluation resulted in the Monitor issuing a Corrective Action Plan will not be unscheduled. The timing will depend on the nature of the non-compliance identified. A facility needs to be in full compliance for at least 45 days before it can be certified. Any non-compliances will have to be corrected, and the corrected practice will have to be in place for 45 days before a follow-up visit (if required) can be conducted. Follow-up visits are generally conducted within 60 days of the initial visit to ensure corrective action has been taken with respect to identified areas of non-compliance. However, if the facility needs more time in order to take care of the non-compliances found in the initial visit or any other issues, additional time will be granted. The monitor(s) will emphasize this aspect during the Closing Meeting with the facility representative. Nonetheless, it is also important that the facility representative understand that once the facility has registered, the six month period is running; thus, it is crucial that non-compliances will be taken care of as soon as possible with the purpose of avoiding to have to re-register the facility to continue the certification process.

A follow-up visit is not necessary if the ALL non-compliances to be corrected involve ONLY document-related issues, such that the correction is accomplished by obtaining a document (such as an inspection certificate, etc.). In such cases, submitting the proper proof of correction to the monitor will suffice.

VII.3 UNANNOUNCED SURVEILLANCE VISITS

A facility may at any time be subject to surveillance visit by an Independent Monitor in the WRAP Certification Program under the following circumstances:

All facilities found to be in compliance with WRAP Production Principles will be granted a certificate (see pages 19-20 for certification levels).

Under the rules of the WRAP Certification Program, the facility may be subject to an unannounced surveillance visit by an accredited Monitor or member of the WRAP staff at any time during the period of certification. The selection of the accredited monitor and date of the surveillance visit is exclusively authorized by the WRAP Board. If a facility is selected for a surveillance visit, it must provide immediate full access (within 30 minutes of arrival) and cooperation with the selected monitor, allowing them to conduct a complete audit of the premises and all relevant documents. It is the facility's responsibility to ensure a management representative will be available during all working hours to allow monitors access if needed. Failure to allow the surveillance visit will result in the immediate suspension of the facility's certification. Reinstatement of the WRAP certification will require a complete audit at a future date (at least one year after the date of the decertification).

VIII. RECERTIFICATION

At the end of the facility's certification period, your facility can apply for re-certification.

To re-certify, the facility must submit a non-refundable certification program application fee and re-register in the WRAP certification program by visiting our website at www.wrapapparel.org and clicking on "Renew Certification." You will need a password and the factory's WRAP registration number.

If you do not know your current WRAP certification/registration number or your password, please send an e-mail to WRAP at info@wrapcompliance.org and we will look up your records.

IX. WRAP CERTIFICATION LEVELS

There are three levels of WRAP certification – A, B and C. The certificate issued to a factory is determined by the WRAP Review Board and depends on the extent to which the audit indicates full compliance and management commitment to the WRAP Principles.

“A” level certification

Valid for two years.

Factory must demonstrate full compliance with all WRAP principles for three consecutive years.

Successfully pass each audit with no corrective actions.

Factory must maintain continuous certification to qualify for the “A” level certificate; i.e. should have no gaps between successive certifications.

The factory remains subject to an unannounced audit during its certification period.

“B” level certification –

Valid for one year.

It is awarded to a factory that has demonstrated full compliance with all WRAP principles.

“C” level certification –

• Valid for 6 months, and can result under two circumstances

1. A factory may request a C level certification if an audit finds that it is in substantial compliance with the WRAP principles, but has minor non-compliances in policies, procedures or training that need to be addressed. Important points to note in this regard are:

Factories may not have any “red flag” non-compliances such as child labor, egregious health & safety or environmental issues, prison labor, forced labor or involuntary labor, or harassment or abuse of employees.

Factories must demonstrate that employees are paid the legal minimum wage and any required overtime compensation.

Qualifying factories must request a six-month certification from the WRAP office, in writing, at the conclusion of their first formal audit. Six-month certificates will not be automatically issued.

The certificate awarded to the factory will specify which WRAP principle requires corrective action.

2. Alternatively, the WRAP Review Board may issue a C level certificate if any of the following criteria are met:

The factory is a first-time applicant and has demonstrated difficulty in achieving full compliance, or has shown non-material non-compliances in the areas of working hours, training and communication with employees, and/or payment of regular wages and overtime premiums, or demonstrates such risk factors as to not warrant a full, one-year certificate.

The factory is applying for a re-certification, but non-material non-compliances are found during the audit.

Factories that have two successive 'clean' audits will be eligible for the regular one-year certificate (WRAP B level certification).

- All factories that are awarded a C level certificate must reapply prior to the expiration of their six-month certificate and pay a reduced registration fee of US\$895.
- At the subsequent audit, the factory must demonstrate improvement toward achieving full compliance at the "B" certificate level.
- A factory may be awarded a six-month certificate for no more than three consecutive periods (maximum of 18 months). If the factory fails to achieve full compliance, they must wait for a six-month period and then reapply using their original identification number.