



## CEO's MESSAGE

The global recognition of the need to implement and measure social, environmental and ethical standards emerged in the early 1990's. Multinationals developed guidelines to ensure that responsible policies and practices were applied in the global supply chain.

The year 2007 marks ALGI's thirteenth anniversary as one of the pioneers in the field of Corporate Social Responsibility. To date, ALGI has visited over 7,000 facilities worldwide, providing services to governments, international agencies, NGO's and the private sector.

Our philosophy of service focuses on the improvement of our clients' awareness and understanding of the various laws and codes of conduct that regulate their industry. We provide our clients with transparent and independent information regarding the circumstances under which their goods are being manufactured, globally as well as domestically.

Our mission is to help our clients solve business problems and measurably enhance their ability to build value, manage risk and improve performance. The extensive experience, valuable knowledge and dedication offered by every one of our associates, allows us to provide valuable service in the process of building sustainable results.

ALGI's culture embraces six universal values: spirit, pride, determination, commitment, passion and integrity. These are much more than mere words; they are a vital and tangible force within our company, which transcends geography and language. It is a calling we take in the same way we take on everything else we do at ALGI – with energy, enthusiasm and commitment.

**Angelo Valdevitt**  
CEO

## BACKGROUND

- **1994:** ALGI Incorporates in the State of NY (USA), providing services to clients based in the NY City Metropolitan Area, with additional assessments conducted in the Continental USA.
- **1997:** ALGI opens a subsidiary office in Manizales, Colombia to cover Central and South America.
- **2003:** ALGI opens an office in Shanghai, China, strengthening its presence in the Asian market.
- **2004:** ALGI opens its second office in China, in the southern city of Shenzhen.
- **2005:** During the fourth quarter of this year, ALGI adds a subsidiary office in Dakha, Bangladesh to increase services in the South Asia region.
- **2006:** ALGI adds subsidiary offices in Chennai and Tirupur, India; Karachi, Pakistan; Lima, Peru and Dubai in the United Arab Emirates.
- **2007:** We open our office in Latina Scalo, Italy.

For the past 13 years, ALGI has offered and assisted organizations and their supply chain in searching for strategic risk management solutions, directed towards integrated sustainability in social and environmental practices.



## ALGI SERVICES

ALGI is committed to giving its clients comprehensive and cost-effective analyses, as well as socially responsible strategies and solutions. We have crisis management and facility mediation services, including expert public relations assistance in all industries from apparel to agriculture. As we have developed through the years, ALGI has become accredited and provides services to meet the requirements of NGO, Governmental and private entities including, but not limited to:



- **SAI - Social Accountability International.** ALGI is an accredited Certification Body under the SA-8000 standards. Our certification scope is global and we maintain SA8000 assessors in Asia as well as the Americas.

- **WRAP - Worldwide Responsible Accredited Production.** ALGI is a certification body for WRAP, presently registered to conduct assessments in over 50 countries.





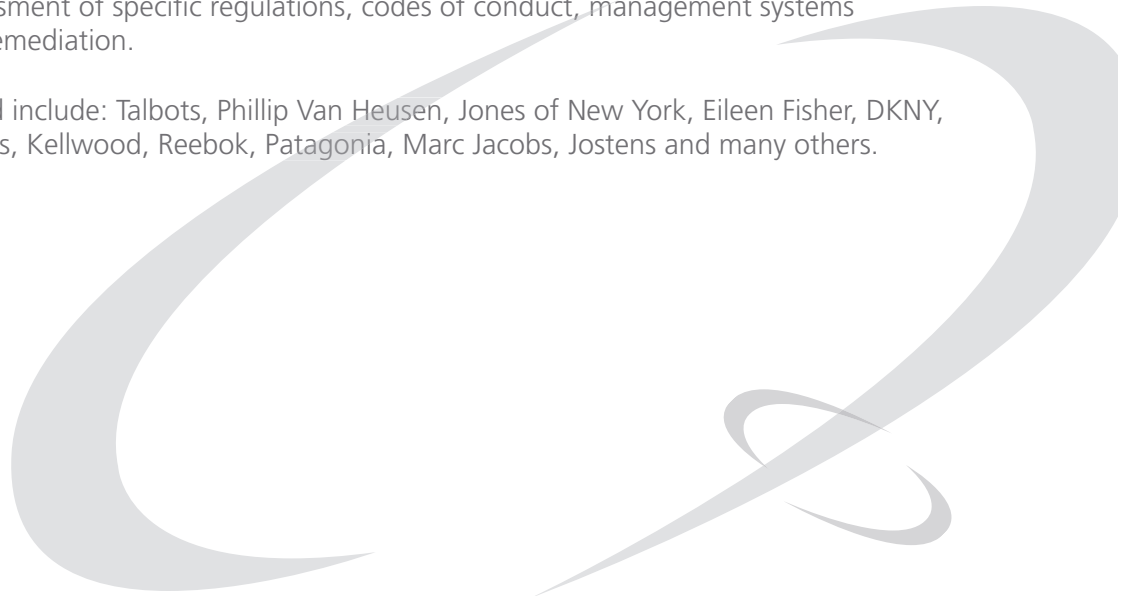
- **BSCI - Business Social Compliance Initiative.** ALGI is certified by BSCI to conduct assessments for their members in the European retail sector.

- **FLA - Fair Labor Association.** ALGI has conducted Independent External Monitoring (IEM) and Independent External Verifications (IEV) for FLA since 1998.



- **Code of Conduct Audits and Consulting.** ALGI maintains a portfolio of clientele requiring assessment of specific regulations, codes of conduct, management systems training, and remediation.

Clients serviced include: Talbots, Phillip Van Heusen, Jones of New York, Eileen Fisher, DKNY, Russell Athletics, Kellwood, Reebok, Patagonia, Marc Jacobs, Jostens and many others.



## SECTORS COVERED

Throughout 13 years of ALGI activities, numerous industries have been assessed in the social and environmental areas. Continuous education is given to our staff to endow them with updated legal and industry specific information. ALGI has conducted evaluations in the following industries:

- Apparel
- Accessories
- Retail
- Toys
- Electronics
- Furniture
- Shoes
- Household goods
- Sporting goods
- Jewelry
- Printing
- Restaurants
- Agriculture



## ASSESSMENTS

The purpose of an ALGI assessment is to provide our clients with valuable tools to determine the effectiveness of their social accountability management systems and associated activities as well as their conformance with the requirements of the labor, health, safety and environmental regulations and / or other standards (CoC) the company subscribes, such as:

- Child Labor
- Harassment & Abuse
- Discrimination
- Freedom of Association
- Wages and Benefits
- Hours of Work
- Environment
- Security (C-TPAT & BASC)
- Customs / Transshipment
- Management Systems

To achieve this, the assessments focus on awareness and respect for applicable laws and regulations; demonstration of commitment to social accountability policies and the clients' requirements.

Assessments address all aspects of social accountability standards. The assessment

team not only evaluates the level of performance against legal and other requirements, but also the implementation and effectiveness of management systems and performance controls.

In evaluating overall conformance with the stated requirements, the assessment specifically focuses on:



- Corroborating compliance with applicable laws and regulations.
- Issues known to be a problem within the locality or industry sector.
- Issues of particular concern to interested parties.
- Issues identified as significant during the course of the assessment.

When conducting the assessment, the audit team is especially sensitive to language and cultural norms. Management and employees are made aware of the confidentiality of the process. The sampling of employees to be interviewed is structured to ensure a fair representation of all sections of the production process. During the visit, the team verifies that the assessment scope addresses all parts of a continuous process and premises.

## SOCIAL REPORTING

ALGI assessment reporting is focused on bringing alive the critical social and environmental impacts of a business in order to help stakeholders and management make well-informed judgments and decisions. Reports will meet specific clients' requirements when they supply their own reporting tools. In absence of such tools, ALGI will provide reports that concisely and objectively inform of the outcome of the assessment.

Our report consists of three related documents: an Executive Summary, an Audit Instrument and a Tracking Chart or Corrective Action Plan, the last one written both in English and the local language of the factory's management. The information provided includes the methodology used and details of both conformances and non-conformances observed in payroll, time records, personnel files, worker interviews and management systems in general. Findings are linked to the local or international law or CoC element that is under question.

Fire Safety						
J.22	Number of extinguishers:	T/ABC		J.23	Fire extinguishers placed in accessible, clearly marked areas:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
J.24	Fire equipment serviced by outside agency:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	J.25	Employees trained in the proper use of fire extinguishers:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
J.26	Fire equipment serviced minimum once a year:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	J.27	Proper type of extinguisher is placed according to specific areas:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
J.28	Flammable/combustible materials stored in a controlled area:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	J.29	Facility has an alarm system:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
J.30	Flammable/combustible storage outside the production area:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	J.31	All alarm devices tested annually:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
J.32	<b>Observations:</b>	<b>Combustible material is not stored in a controlled area.</b> <b>Workers have not been trained in the proper use of extinguishers.</b>				
						

# QUALITY ASSURANCE (QA)

ALGI has a Quality Assurance Committee responsible for monitoring our internal standard operating procedures. Periodical internal QA audits as well as surveillance audits conducted by external bodies are designed to measure the effectiveness of ALGI internal systems and ensure procedures are consistently and effectively implemented throughout the organization.

Prior to sending the results of an assessment to our client, the Assessment Report is forwarded to the Quality Control Department. The expert responsible for this has to verify that the legal elements as well as the Code of Conduct of the client have been addressed. The necessary adjustments are made and when auditors are not native English speakers, QC also verifies the language is clear and correct.

	Legal Reference 相关法律	Monitor's Findings 问题	Documentation 核实途径	Facility Response 工厂回应
<b>Forced Labor 强制劳动</b>		<b>Not in Compliance / 不符合规定</b>		
<b>Cash Deposit or Pledges 保证金或抵押金（物）</b>	Art. 24 of Opinion by the Ministry of Labor on Implementation of PRC Labor Law: While establishing labor contract with employees, the employer should not take any currency or goods as a "factory entry pledge".	New comers must pay 200 RMB to the facility as a deposit and the money is returned to them before the Spring Festival.	Documentation review/Management interview	Factory will remediate the problem before March.
	劳动部关于贯彻执行《中华人民共和国劳动法》若干问题的意见第24条：用人单位在与劳动者订立合同时，不得以任何形式向劳动者收取定金、保证金（物）或抵押金（物）。	新员工进厂需交200元押金，在过年时才退还给员工。	文件查阅和管理层访谈	工厂表示将于9月前改善。
<b>Hours, Wages &amp; Benefits 工作时间 工资和福利</b>		<b>Not in Compliance / 不符合规定</b>		
<b>Pay stub 工资单</b>	Art. 6 of the Provisional Regulations for the Payment of Wages: Company shall provide workers with a detailed pay stub.	The facility does not provide pay slip to workers.	Documentation review/Management interview	Facility could not provide remediation plan.
	工资支付暂行规定第6条：用人单位在支付工资时应向劳动者提供一份其个人的工资清单。	工厂未给员工提供工资单。	文件查阅和管理层访谈	工厂未能提供整改方案
<b>Paid Annual Vacation 带薪休假</b>	Art.45 of PRC Labor Law: Laborers are entitled to annual leave with pay after working continuously for one year or more.	The facility does not have a paid vacation policy.	Documentation review/Management interview	Facility could not provide remediation plan.
	中国劳动法第45条：劳动者连续工作1年以上的，享受带薪休假。	工厂没有制定带薪休假制度。	文件查阅和管理层访谈	工厂未能提供整改方案

# HUMAN RESOURCE DEVELOPMENT

Our auditors are our most valuable resource. ALGI staff members are professionals with specializations in law, accounting, environment and agriculture. Training is fundamental for their development, therefore we offer them regular in-house training.

In addition, ALGI auditors attend Social Accountability International SA-8000, WRAP and other training events as per requirements of the certification schemes managed by our company. At the present time over 70% of our staff holds a SA-8000, WRAP, ISO and/or IRCA certification.



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