

*The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.*

### **What is a Tracking Chart?**

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

### **What a Tracking Chart is NOT -**

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

**Note on Language**

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]", etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

**Instructions for Printing**

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

<b>FLA Audit Profile</b>	
Country	Turkey
Factory name	01007613A
IEM	Verite
Date of audit	08-Apr-02
PC(s)	Adidas- Saloman
Number of workers	224
Product(s)	t-shirt

FLA Code/ Compliance Issue	FLA Benchmark and/or Legal Reference	Findings			Remediation		Remediation Updates	
		Verité Findings	Best Practice - Verité Findings	PC Internal Audit Findings	PC Remediation Plan	Target Completion Date	PC Updates/Follow-up Comments	PC Updates/Follow-up Comments August 2003
<b>1. Code Awareness</b>								
<b>Insufficient Personnel Policies</b>	<b>FLA Code Principles of Monitoring: Create An Informed Workplace.</b> Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	The auditor reported that although the factory has written personnel policies, they do not include sections that covers wages, regular hours, discipline and termination, grievance procedures or harassment and abuse. The auditors also reported that the factory's written personnel policies had not been distributed to workers.			A Company Policy will be prepared by the management including basic explanations of adidas SoE standards together with the essential laws from the Turkish Labor Law. This Company Policy will be both, posted at the notice boards and distributed to all workers. An orientation training approximately once a month is given to new employees and workers, covering general information about the company. This should include coverage of such topics as the adidas SoE, factory rules and policies, wages and benefits, disciplinary practices, termination policies, warning procedures, freedom of association and collective bargaining, harassment and abuse and Health and Safety.		The new company policy (worker handbook) covers all these sections. It is distributed to all the workers. Verified by documentation check. 28.02.03	Since the new labor law has changed in Turkey in June 2003, the factory is asked to revise the Company Policy and distribute to all the workers again. In the meanwhile, the factory will inform all workers about certain issues in the labor law; ex. The extension in annual leaves, pregnancy leave, probation periods, etc. by posting on the notice boards.
<b>Lack of Worker Awareness of Code</b>	<b>FLA Code Principles of Monitoring: Create An Informed Workplace.</b> Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	Per Audit Instrument management has not informed worker of Code.					A copy of the Labor code can be read in the canteen. The new company policy also includes explanation of some codes and adidas SoE. Verified by documentation check. Photo of the Labor Code in the canteen is available in adidas files, 28.02.03.	
<b>Confidential Noncompliance Reporting Mechanism</b>	<b>FLA Obligations of Companies, F. Provide Employees an Opportunity to Report Noncompliance:</b> Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	Per Audit Instrument PC has not put in place a confidential noncompliance reporting mechanism.			Two more suggestion boxes will be installed inside the toilets. Proposals from the suggestion boxes will also be written on paper with the management's answers and will be posted on the notice boards. One copy will be faxed to the adidas office regularly.		The factory has already got worker-management communication systems such as worker committees and suggestion boxes. Documentation about meetings between worker committees and management is in adidas internal files. Furthermore, the address and the phone number of the adidas compliance staff is given to all interviewed workers. Additional suggestion boxes are installed in the dressing rooms. The new suggestion posting system is instituted.	It is further asked to post the names and photos of all workers representatives so that even new workers will recognize them. How to use instruction will also be posted next to the suggestion boxes.
<b>2. Forced Labor</b>								
<b>Freedom of Movement</b>	<b>FLA Code Benchmark I. Forced Labor:</b> If factory entrances are locked or guarded to prevent non-employee access to the premises for security reasons, employees will have free egress at all times.	[It was reported in worker interviews that workers have been] physically barred from leaving the factory, and that workers are not given permission to leave when reasonable. The auditors reported that, based upon worker interviews, workers are not given permission to leave the factory until production quotas have been met. (See Working Hours.)			Permissions will be given. However, in terms of freedom of movement during tea and lunch breaks, there are no restrictions for workers to leave the factory building. None of the [X] workers that have been interviewed confirmed such restrictions. It has also been observed that workers were sitting under the trees outside the factory building during work breaks.		There are no restrictions of movement against the code. Verified by observation, 02.07.02.	
<b>Employment contracts</b>	<b>FLA Code Benchmark I. Forced Labor:</b> Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision.	The auditors reported that although workers have a written employment agreement with the factory, they have not received a copy of their written employment agreement. The auditors also reported that the factory's written employment agreements are insufficient, and that they do not include a job description, work hours, benefits and deductions, or the pay cycle. Management reported that "the signing of workers' contracts took place haphazardly," and that almost none of the workers were aware of what they were signing.			Factory's existing Employment Agreement will be revised as mentioned. At least starting date, job description, net salary and other benefits, working hours and pay cycle will be included in the contracts. The new employment agreements will be prepared in 2 copies. The management will ensure that all existing workers and all new workers that will start working from now on will receive a copy of their Employment Agreement. The other copy will be kept in the personnel files.		A copy of the new employment agreement has been given to the workers. Verified by documentation check, 28.02.03.	
<b>3. Child labor</b>								
<b>Night Work Restrictions for Juvenile Workers</b>	<b>FLA Code Benchmark II. Child Labor:</b> Employers will comply with applicable laws that apply to young workers, i.e., those between the minimum working age and the age of 18, including regulations relating to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime. <b>According to Turkish labor law,</b> where work is concerned, "Night" is the period beginning not later than 8:00 p.m. and ending not earlier than 6:00 a.m. (Turkey Labor Law, No. 1475, Article 65, Item 1, September 1971) The law also states that the employment of males below 18 years of age for night work is prohibited in industrial-related work (Turkey Labor Law, No. 1475, Article 69, September 1971).	The auditors reported that there are three juvenile workers employed in the factory, and that they are not prohibited from working at night.			Agreed, juvenile workers should not work during nightshifts. In this specific case the juvenile workers started to work during the day shift and continued to work after 8.00 pm. Juvenile workers will not work after 8.00 p.m. in future and the management will follow specific restrictions for workers below 18 according to Turkish Law, with immediate effect.		Juvenile workers are only working on the day shift. They are having periodical health checks every 6 months and receive 18 days of paid vacation. Verified by documentation check, 21.08.02.	No juvenile workers are observed. 23.07.03.

FLA Code/ Compliance Issue	Findings				Remediation		Remediation Updates	
	FLA Benchmark and/or Legal Reference	Verité Findings	Best Practice - Verité Findings	PC Internal Audit Findings	PC Remediation Plan	Target Completion Date	PC Updates/Follow-up Comments	PC Updates/Follow-up Comments August 2003
<b>Regulations for Juvenile Workers</b>	<b>FLA Code Benchmark II. Child Labor:</b> Employers will comply with applicable laws that apply to young workers, i.e., those between the minimum working age and the age of 18, including regulations relating to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime.			The workers below 18 do not receive 18 days of paid annual leave as stated by labor law.	The management will follow specific restrictions for workers below 18, like workers below 18 will have 18 days of paid annual leave per year, periodical health checks every 6 months etc.		Juvenile workers are only working on the day shift. They are having periodical health checks every 6 months and receive 18 days of paid vacation. Verified by documentation check, 21.08.02.	No juvenile workers are observed. 23.07.03.
<b>4. Harassment or Abuse</b>								
<b>Disciplinary Procedures</b>	<b>FLA Code Benchmark III. Harassment or Abuse:</b> Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers.	The auditors reported that the factory does not have standardized discipline and termination procedures that include a standardized series of verbal and written warnings. However, [it was reported in worker interviews] that the factory's supervisors use the same disciplinary measures. [It was reported in worker interviews that there were] punitive deductions/fines as a disciplinary measure in the factory. [It was also reported that there were] unfair or severe disciplinary actions. [It was reported] that if a production mistake is made, the entire group is made to work overtime, and that, in some such instances, workers are required to work overtime without pay. (See Wages and Benefits).			Management will have a written standardized discipline and termination procedure containing both, verbal and written warnings. This will be posted immediately and included in the Company policy to be distributed to all workers. The factory has already got written personnel policies posted; however, those topics will be included in the new Company Policy. Agreed, there shouldn't be any financial fines for workers. Any kind of punitive deductions/fines won't be executed with immediate effect.		There is now a standardized disciplinary/termination policy as part of the general company policy. Verified by documentation check, 28.02.03.	
<b>Disciplinary Procedures</b>	<b>FLA Code Benchmark III. Harassment or Abuse:</b> Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers.	[It was reported that] workers are sometimes forced to sign a letter of resignation upon making a mistake.		[Worker interviews did not reveal] such an incident. Several personnel files have also been examined, without detecting any letters of resignation.			Verified by worker interview and documentation check, 02.07.02.	
<b>Records of Dismissals</b>	<b>FLA Code Benchmark III. Harassment or Abuse:</b> 1) Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers. 2) Employers will maintain written records of disciplinary actions taken.	The auditors reported that the factory's records of dismissal do not include specific reasons for termination.			The management will make sure that factory's records of dismissal include specific reasons for termination. Compensation will be paid maximum in 6 installments. Agreed, the reasons for terminating the employment of workers need to be included in the personnel files. The management will make sure that there won't be any missing warnings in the personnel files with immediate effect.		Before giving a written warning, the factory has a system in place to give verbal warnings and written inappropriateness letters. All these documents are included in the personnel files. Verified by documentation check, 28.02.03.	This is also a legal requirement with the new Turkish Labor Law now.
<b>Termination Policies</b>	<b>FLA Code Benchmark III. Harassment or Abuse:</b> 1) Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers. 2) Employers will maintain written records of disciplinary actions taken.			The factory does not have any company policy about termination procedures and verbal and written warning systems.	Termination policies, procedures, information about verbal and written warning systems will also be included in the Company Policy. Signatures of workers should be collected that they have received it, read it and understood it. A person from HR should be available for questions. The relevant name should be posted on the notice board or being mentioned in the document that the workers should sign.		The termination & disciplinary policies/procedures have also been included in the general Company Policy. The workers have been informed. Verified by documentation check, 28.02.03.	
<b>Freedom of Movement</b>	<b>FLA Code Benchmark III. Harassment or Abuse:</b> Employers will not unreasonably restrain freedom of movement of workers, including movement in canteen, during breaks, using toilets, accessing water, or to access necessary medical attention.	[It was reported in worker interviews that:] workers are not allowed to use the factory's toilet facilities whenever the need to, and ... workers are not allowed to remain in the toilet facilities for as long as necessary. ...workers are allowed to use the toilet facilities only during their tea and lunch breaks.		Disagree with the findings that workers are not allowed to use the toilet facilities for as long as they need. [Confirmed during worker interviews.]	There will be no restrictions to go to the toilets. 4 blue and 4 pink cards will be installed near the stairs that are going up to the toilets. Whenever there is a card (which means the toilet is free), some worker can go to the toilets. The management will ensure that there will be no restrictions to go to toilets anymore, with immediate effect. The following system has been suggested: Blue and red cards should be posted near the stairs leading to the toilets. This enables all workers to see if all toilets are occupied or if any is free. Those cards are not arranged according to the number of lines but according to the number of toilets.		There are no restrictions to use the toilets. The new system is functioning properly. Verified by workers interview, 21.08.02. Photo of the system is available in adidas internal files.	
<b>Verbal abuse</b>	<b>FLA Code Benchmark III. Harassment or Abuse:</b> 1) Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers. 2) Employers will prohibit screaming, threatening, or demeaning verbal language.	[Worker interviews reported:] ... ongoing verbal abuse from supervisors in the factory, but did not provide any names. ... that incidents of verbal abuse had taken place a few times. ... an incident of verbal abuse that resulted from having allegedly made a production mistake, and that the incident was adequately addressed. ... an incident of verbal abuse that involved a threat of receiving a written warning. ... that the factory does not have a worker representative to bring harassment and abuse issues before management, and that she has not reported the incidents of harassment and abuse to management. The auditors reported that the factory has no written policies or standardized procedures for dealing with harassment and abuse.		Strongly disagree: there are currently two systems in place to bring grievances regarding harassment and abuse to management's attention. These are Workers' Representatives and Suggestion Boxes. Names and pictures of the Workers Representatives are posted for the new employees to recognize them easily.	Management will once more train line chiefs and supervisors to establish better dialogues/communication with the workers. Trainings will be documented. A training will be developed and implemented to train supervisors and line chiefs how to establish better dialogues and communication with the workers. Shouting and other arbitrary disciplinary practices will be stopped immediately.		Several meetings have been held with the supervisors and line chiefs to cease verbal abuse. Trainings are documented. Worker-Management communication systems are functioning. Verified by checking minutes of meetings, 28.02.03. Trainings are given to the supervisors and line chiefs to establish better communication with the workers. Verified by documentation, 28.02.03.	Training on factory policies and workplace rules must be 'socialized' within the factory - provide / post copies of the policies and rules and conduct orientation for new workers and training for existing workers on the content of the policies, rules and adidas SoE.

FLA Code/ Compliance Issue	Findings			Remediation		Remediation Updates		Remediation Updates	
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<b>Financial Punishment</b>	<b>FLA Code Benchmark III. Harassment or Abuse:</b> Employers will not use monetary fines and penalties for poor performance.			It was reported in worker interviews that some workers repaired production mistakes outside official working time without getting overtime payment.	All kinds of financial punishments will be stopped immediately. Workers will not be forced to repair possible production mistakes after or before official working time.		Verified by worker interview, 21.08.02.		
<b>5. Discrimination</b>									
<b>Worker Discrimination</b>	<b>FLA Code Benchmark IV. Non-Discrimination:</b> Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement.	According to the auditors, [it was reported in worker interviews] that supervisors discriminate against immigrant workers in discipline and termination practices. [It was reported in worker interviews] that the factory discriminates against workers based upon race, nationality and marital status.		[Worker interviews did neither reveal a sign of discrimination nor confirmed that this is an issue in the factory. It was reported by the management and also found out when the personnel files were examined that more than one third of the workers are immigrants in total. There are also 7 line chiefs and 3 of them are immigrant workers.			Verified by worker interviews, 21.08.02.		
<b>6. Health and Safety</b>									
<b>Health &amp; Safety Policy</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.			The factory does not have a written Health & Safety policy.	The management will prepare a written Health & Safety policy. The management will prepare an emergency plan with the names of the people and their specific tasks. There will be a written job description for the Health & Safety representative.		Verified by observation and documentation check, 21.08.02.	We asked the factory to revise its policy, have it signed and dated by top management, provide copies to relevant staff and begin to implement. The factory should appoint a person to the job of H&S coordinator. This person should also be able to make a risk assessment in the factories to define about the possible risks. H&S coordinator can prioritize risks taking the likelihood to happen and the severity of harm criteria into consideration. H&S coordinator must be able to eliminate these risks before they become hazards. A clear job description must be provided to the H&S Coordinator which clearly states the level of authority.	
<b>Emergency Evacuation Plans</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.			The Emergency evacuation plans are outdated and incomplete.	The Emergency evacuation plans will be renewed after the new structuring. Plans will show exit routes, outside assembly areas, location of fire extinguishers, first aid kits and important phone numbers.		Verified by observation and documentation check, 21.08.02.		
<b>Exits Repairs Needed/Canteen Exit</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	The auditors reported that although there are two exits on the second floor, one of the exits is physically difficult to access.		Disagree. There is only one exit on the second floor at the moment.	A second exit will be constructed.	Sep-02	At the beginning, the factory management expressed that the free zone authorities do not like that factories make changes outside the buildings. Having a second exit to the interior of the factory was also not a practical solution. As a final verification, adidas also contacted the Free Zone authorities and they said they will help to find a solution. Factory is now contacting some architects and they will submit new proposals to the free zone authorities.	Because of the reason that the factory has intentions to move next to their dye house which is in another location, they have not opened a second exit yet. The main factory has a second sub-contractor just opposite of the factory which will move out of their facility at the end of August 2003. The management owns the building. They confirmed in written that the lunch hall of the other factory will be used starting from that time. adidas still asks for a more permanent solution which is opening a second exit from the lunch hall.	
<b>Emergency Exit Signs</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	The auditors reported that one of the emergency exit signs on the first floor was not illuminated.			All emergency lights have been inspected. Necessary replacements have been done. New emergency lights have been installed above the exit door of the canteen and above the stairs.		Verified by observation, 21.08.02.	Some emergency lights were observed not working during the last audit on 23 July 2003 although all emergency lights seemed to have been checked just a week ago on documentation. The factory is asked to find out the reasons and to repair all non-working lights.	
<b>Inappropriate Exits</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	The auditors reported that one of the three exits on the first floor swings inwardly, and that another is of the sliding variety.			According to the adidas SoE, 2 exits are sufficient if the number of workers is below 200. One exit is swinging outwardly and the other one is a sliding variety.		Verified by observation, 21.08.02.		
<b>Unmarked Aisles</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	The auditors reported that none of the factory's aisles were marked with two lines to indicate areas to be kept clear.		Strongly disagree. The aisles of the factory are marked with two lines.			Verified by observation, 21.08.02.		
<b>Unmarked Emergency Exits</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	The auditors reported that there were no emergency exit routes marked on the factory floors.		Finding also identified during internal PC audit.	Emergency exit arrows will be marked on the floor.		Verified by photo, 28.02.03.		

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<b>Fire Extinguisher Training</b>	<b>FLA Code Benchmark V. Health and Safety:</b> 1) All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures. 2) All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	The auditors reported that only 10 percent of the factory's workforce has been trained in the use of fire extinguishers, and that no additional workers have been oriented in the use of fire extinguishers.			The factory management will arrange additional training to ensure that at least 20% of the workers are trained. This training will be documented. Additionally, a fire evacuation drill was conducted in May and documented.		Training was conducted. Verified by documentation check, 21.08.02.	
<b>Emergency Lighting</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	The auditors reported that there is no emergency lighting installed in the factory.		Disagree with the findings that no emergency lights are installed. There are emergency lights above all exit doors. Additional emergency lights are installed above the exit door of the canteen and above the stairs.			Verified by observation and photos, 21.08.02.	
<b>Emergency Alarm System</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	The auditors reported that the factory does not maintain testing/maintenance records for the emergency systems.		Disagree. The factory has already got maintenance records for the emergency alarm system since 2001. Additionally a control-system for regular maintenance of emergency lights is in place.			Verified by observation and documentation check, 21.08.02.	
<b>Fire Training</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.			Recently, no fire fighting training has been arranged.	New fire fighting training will be arranged for the workers.		Training was conducted. Verified by documentation check, 21.08.02.	
<b>First Aid Kits</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	The auditors reported that although the factory provides two clearly visible and easily accessible first aid kits, the kits are not stocked with sterile gauze/cotton balls, adhesive tape/plasters, disinfecting/antiseptic agent or antibacterial ointment.			A list will be prepared containing the names and expiration dates of the medicines. It will be posted on the cupboard to avoid any medicines with expired dates. The nurse will check the first aid kits every week and restock missing items. This procedure will be documented. The names of the first aid team have been posted below the first aid kits.		Verified by observation and documentation check, 21.08.02.	
<b>Accident Log</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All safety and accident reports shall be maintained for at least one year, or longer if required by law.	The auditors reported that the factory does not maintain records of injuries that occur in the factory. None of the workers interviewed reported any major injuries that had occurred in the factory.		Disagree with the findings that no injury log is available. The factory already keeps an official injury log which is sent to the local Labor Office regularly.	Besides these official documents, the factory will also prepare an accident log where even the smallest accidents will be recorded.		Verified by observation and documentation check, 21.08.02.	It is further observed that the reports are not detailed enough. All kinds of accidents including small ones must be recorded. Most frequent accidents should be observed and preventions should be implemented. The accident log must be reviewed by management and senior production staff on a monthly basis.
<b>Sanitation/Toilets</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	The auditors reported that most but not all of the factory's toilet facilities were clean and stocked with hand soap, and that none of the facilities were stocked with toilet paper. Most of the workers interviewed reported that the toilet facilities are not usually stocked with toilet paper.		Finding also identified during internal PC audit.	Agree, toilet paper should be available. Toilet paper and wastebaskets will be provided in the toilets. Liquid soap is already available.		Verified by observation, 21.08.02.	
<b>Access to Potable Water</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building.			Workers are sharing the same glass for potable water.	A small bottle of water will be distributed to all workers every month regularly (to be used as a glass), which can be filled by workers at the potable water station.		Verified by observation and worker interviews, 21.08.02.	
<b>Machine Guards</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	The auditors reported that only some of the sewing machines were equipped with needle guards, and that only some of the overlock machines were equipped with eye-guards.		Finding also identified during internal PC audit.	Missing needle guards and eye guards will be provided.		The process is still going on. Missing guards had been added but due to lack of effective training, the workers are still not using them efficiently and even removing them. Trainings will continue until guards are being used efficiently.	All eye guards are installed and many workers are using them. However, the same success is not achieved for needle guards. All needle guards will be installed. Factory should continue training all the workers and supervisors to use needle guards at sewing machines and eye protection at overlock machines continuously.
<b>Machinery Training</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	[It was reported in worker interviews that some workers] had not been provided with training in how to use the factory's equipment/machinery.			A training program will be implemented to ensure that all new workers are trained/ instructed how to use relevant equipment/machinery.		New workers are trained by their supervisors how to use the machines.	
<b>High Voltage Areas</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.			High voltage areas are not separated. Everybody can easily reach high voltage areas.	High voltage areas will be separated by chain.		Verified by observation, 21.08.02.	
<b>Chemical Handling Training</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances.	The auditors reported that spot-removers are used in the factory, and that workers who handle the spot-removers have not been trained in the safe handling of chemicals used in the factory.			The factory doctor provided all workers with information about potential health and safety risks of not using PPE and will train workers how to handle spot-remover liquids/sprays according to the MSDS of the chemicals in use.		Verified by worker interviews and documentation check, 21.08.02.	It was found out during worker interviews that sometimes qc worker used spot removing sprays outside the spot removing area. The management will immediately stop this implementation and continue training their supervisors and workers.
<b>No MSDS Posted</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language.	The auditors were unable to determine the chemical compounds in the factory's spot-removers. The auditors reported that there were no MSDS posted in the factory.			MSDS are posted in the factory.		Completed. Verified by observation and documentation check, 21.08.02.	

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<b>Chemical Storage</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances.	The auditors reported observing that spot-remover was being stored near a steam line, which the auditors considered to present a potential explosion hazard.			Only the daily supply of chemicals is stored at the workplace, in a sufficient distance to the steam line in order to avoid explosion.		Verified by observation, 21.08.02.	The factory is further asked to remove all sprays and solvents in the warehouse and to put them in a steel cupboard to protect them against fire
<b>Eye Wash Facilities</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	The auditors reported that workers who handle chemicals in the factory do not have access to eye wash facilities.		Finding also identified during internal PC audit.	An eye wash station will be installed near the spot-remover area.		Verified by observation, 21.08.02.	
<b>Air-Quality Monitoring</b>	<b>FLA Code Benchmark V. Health and Safety:</b> 1) All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility. 2) All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	The auditors reported that there is no systematic air-quality monitoring routinely conducted in the factory, and that the last air-quality test in the factory was conducted in 2000.		Since the only chemical used is spot removing liquid or spray (specific air-suction tables), it is understood that it is not necessary to conduct indoor air quality inspection.			The suction of the spot removing tables are improved and converted into a double suction system both from the bottom and the back.	The maintenance of these machines should be done more frequently and efficiently. The suction at the back of the machines was observed to be not strong enough.
<b>PPE/Gloves, Eye Wear, Respirators</b>	<b>FLA Code Benchmark V. Health and Safety:</b> Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	The auditors reported that workers who handle chemicals in the factory do not have access to the rubber gloves or eye protection needed for their jobs. The auditors also reported that workers do not have access to respirators.			Workers are provided with necessary PPE.		Verified by observation, 21.08.02.	
<b>PPE/Dust Masks</b>	<b>FLA Code Benchmark V. Health and Safety:</b> Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	The auditors reported that the factory does not provide dust masks, which the auditors judged to be needed.		Finding also identified during internal PC audit.	Dust masks will be distributed to all the workers.		Dust masks have been provided. Verified by observation, 21.08.02.	
<b>PPE/Ear Protection</b>	<b>FLA Code Benchmark V. Health and Safety:</b> Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	The auditors reported that workers working near the factory's boiler, where noise levels are high, do not have access to the ear protection required by their workplace conditions.		The noise level near the boiler has been measured and detected to be less than 85 dB. Besides, there aren't any workers working near the factory's boiler.			The noise level will continue to be checked. Our compliance staff will observe if there are any workers around this area during every audit.	Furthermore, factory will provide proper hearing protection next to the entrance door.
<b>No PPE Information Posted</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language.	The auditors reported that neither instructional information regarding all the recommended/required PPE nor the health and safety policies of the factory were posted in all work areas, although there were some postings regarding the recommended/required use of dust masks and ear protection. The auditors reported that workers are not provided with information regarding the potential health and safety hazards of not using PPE.			Signs regarding the use of required PPE have been posted already. Additionally, an emergency fire policy with names and tasks of specific persons is available and will be posted.	July 2002	Verified by observation, 21.08.02. Photo available.	
<b>Workers' Area Repairs</b>	<b>FLA Code Benchmark V. Health and Safety:</b> All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.			Some of the cupboards at the dressing room are in bad condition and cannot be closed.	Workers cupboards at the dressing rooms will be repaired.		Verified by observation. Photo available.	
<b>7. Freedom of Association and Collective Bargaining</b>								
<b>Worker Awareness</b>	<b>FLA Code Benchmark VI. Freedom of Association and Collective Bargaining:</b> Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment.	Management reported that workers are not allowed to form or join unions in the EPZ (export processing zone). However, the auditors reported that although strikes and lockouts are not permitted in the EPZ within the first 10 years of the establishment, workers rights to form and join unions are not legally suspended in the EPZ. The auditors also reported that the zone in which the factory exists was established in 1990 (more than 10 years ago) Very few of the workers interviewed reported being aware of their right to associate freely, and only a slightly higher number reported being aware of their right to form and join unions.			A Company Policy will be prepared by the management including basic explanations of adidas SoE standards together with the essential laws from the Turkish Labor Law. This Company Policy will be both, posted at the notice boards and distributed to all workers. An orientation training approximately once a month is given to new employees and workers, covering general information about the company. This should include coverage of such topics as the adidas SoE, factory rules and policies, wages and benefits, disciplinary practices, freedom of association and collective bargaining, harassment and abuse and Health and Safety.		Workers will receive a general training about the new company policy and the adidas SoE that includes this specific subject. This training will continue throughout 2003.	The training was done once. It will be continued. Training on factory policies and workplace rules must be 'socialized' within the factory – provide / post copies of the policies and rules and conduct orientation for new workers and training for existing workers on the content of the policies, rules and adidas SoE.
<b>Workers' Representative Meetings</b>	<b>FLA Code Benchmark VI. Freedom of Association and Collective Bargaining:</b> Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment.			The last meeting with the worker representatives is more than one month ago. The minutes of meeting are not detailed enough. The workers are not aware of the minutes of meeting.	Meetings with the Worker's Representatives will be held monthly. The minutes of meeting will be written down as explained by the monitoring staff. One copy will be posted on the notice board and one copy will be faxed to the adidas office regularly.		Verified by documentation check, 28.02.03.	
<b>8. Wages &amp; Benefits</b>								

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<b>Posting of Labor Laws</b>	<b>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation:</b> All notices that are legally required to be posted in the factory work areas will be posted. All legally required documents, such as copies of legal code or law, will be kept at the factory and available for inspection.	The auditors reported that there were no local labor laws posted in the factory.			According to Turkish Labor Law, it is not necessary to post labor laws. However, a Company Policy will be prepared by the management including basic explanations of adidas SoE standards together with the essential laws from the Turkish Labor Law. This Company Policy will be both, posted at the notice boards and distributed to all workers. An orientation training approximately once a month is given to new employees and workers, covering general information about the company. This should include coverage of such topics as the adidas SoE, factory rules and policies, wages and benefits, disciplinary practices, termination policies, warning procedures, freedom of association and collective bargaining, harassment and abuse and Health and Safety. A copy of the Labor Law will be presented in the work area and workers will be able to read it.		A new policy has been prepared. Orientation trainings are given to new employees. A copy of the company policy is in adidas files. Verified by documentation check, 28.02.03. Training seminar about the new worker handbook is planned to be given throughout 2003 to all workers.	The factory will further inform the workers about some issues in the new labor law, ex. the extension in annual leaves, pregnancy leave, probation period, etc. They will revise the Employee Handbook and distribute to all the workers again.
<b>Currency of Wage Payments</b>		The auditors reported that, according to EPZ regulations and workers' employment contracts, workers are entitled to be paid in foreign currency (Euros). However, workers are being paid in Turkish Lira. The auditors noted that the nature of the issue is critical, as exchange rates can increase and decrease radically.			Wages have been paid in foreign currency equivalent to legal minimum wage in the past, until all workers collected signatures to apply to receive their salary in local currency. It will be mentioned in the newly prepared contracts that the salary is paid in local currency. This is in accordance with the local law.		New employment contracts include wages in local currency. Verified by documentation check, 28.02.03.	
<b>Poor Record-Keeping</b>	<b>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation:</b> Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work.	The auditors reported that the factory's computer program for automatically calculating overtime hours and deductions for breaks is not accurate, and that dinner breaks are automatically deducted regardless of the actual length of the break that a worker takes. [It was reported in worker interviews] that if overtime work is expected to end shortly after the scheduled dinner break (in between the day and night shift), then workers often chose not to take a dinner break.			The accounting department will either improve the existing system to be more accurate or will buy a new accurate system, to clearly detect/calculate overtime and dinner breaks taken according to different time limits.		The existing system has been improved. Verified by observation and documentation check, 21.08.02. Additionally a new system called Netsis will be used starting from March 03.	
<b>No Nursery School</b>	<b>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation:</b> Legally mandated benefits will be provided or paid in full within legally defined time periods.	The auditors reported that, according to Turkish labor law, facilities with more than 150 female workers must provide a nursery school for child care. The auditors reported that the factory's nursery school agreement is only rudimentary, and that it has not been renewed since it was made two years prior to the audit. None of the workers interviewed reported being aware of the factory's nursery school benefit.			The renewed agreement with the nursery school will be announced to the workers. This information will also be included in the Company Policy.		The agreement has been posted on the notice board. Factory renewed and announced the agreement to the workers for a period of time. Verified by observation and documentation check, 21.08.02. The number of workers is now less than the requirement by local code to have a nursery school in this facility. Verified by documentation check, 28.02.03.	
<b>Workers' Comp Payments</b>	<b>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation:</b> Legally mandated benefits will be provided or paid in full within legally defined time periods.	The auditors reported that the factory pays workers' compensation pay in installments.			Although the Turkish Labor Law does not have any clear statement against paying in installments, the management has been asked to pay compensations latest in half a year after dismissal.		Verified by documentation check, 21.08.02.	
<b>Lack of Worker Awareness Regarding Benefits</b>	<b>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation:</b> Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law.	The auditors reported that workers' awareness of the benefits to which they are entitled is low.			Benefits will also be mentioned in the Company Policy that will be posted and distributed to all the workers.		Verified by documentation check, 28.02.03.	
<b>9. Hours of Work</b>								
<b>Excessive OT and Poor Record-Keeping</b>	<b>According to Turkish labor law, the overtime period may not exceed three hours per day or 90 days per year (Turkey Labor Law, No. 1475, Article 35, Sections A and B, September 1971). FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation:</b> Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	The auditors reported that, according to the sample time records (for February and March 2002) provided by management, the factory's workers work as many as 10 overtime hours per day. The auditors reported that based upon the same sample time records, workers work overtime on as many as 19 days per month. The auditors also reported suspecting that workers work overtime nearly every day of the month. [It was reported] that workers sometimes work as many as 24 consecutive hours during busy production periods, [that workers] have worked as many as 15 hours of overtime per day, and [that workers] have worked as many as 50 overtime hours per week.			Overtime work will be reduced to legal limits. The management informed adidas during a discussion that overtime won't exceed the legal limit anymore in future due to the following reasons: The customer portfolio has been reduced by one customer, which leads to more capacity available for the remaining customers; Recent problems, created by a new "subsidiary" (dye facility) and ongoing since the middle of last year have finally been solved, which leads to a better adherence of production planning; Production planning has been changed from monthly to weekly planning/shipments, which is more accurate and shortens the whole process tremendously; The approval of additional subcontractors by adidas provides more capacity in future.		The working hours of the factory have been decreased to legal limits except some unexpected cases. The factory is sending a weekly working hours report to the adidas compliance staff at the end of every month. These working hours reports indicate the number of workers in each department, the number of workers who work overtime and the number of overtime hours worked. All these reports are kept in adidas internal files. In these reports in some peak months, it is still observed that some departments work overtime. Factory is asked to lower their working hours. 23.07.03	



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<b>Sunday Work</b>	<b>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation:</b> Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.			Factory worked on some Sundays.	Sunday work will be stopped immediately.		Verified by documentation check, 28.02.03. There has only been very few incidences that they had to work on a Sunday. The reasons for this overtime and all other records are also kept in adidas internal files.	There have been only 3-4 Sunday works in some departments in 2003 due to unexpected time problems. Verified 23.07.03
<b>Forced OT</b>	<b>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation:</b> 1) The employer will demonstrate a commitment to reduce mandated overtime and to enact a voluntary overtime system to meet unforeseen situations. 2) Overtime hours worked in excess of code standard will be voluntary. <b>According to Turkish labor law,</b> the employee's consent must be obtained for overtime work (Turkey Labor Law, No. 1475, Article 35, Section f, September 1971).	[It was reported in worker interviews] that overtime in the factory is not voluntary.  ... that the penalty for not reaching production quotas is forced overtime.  ... workers are pressured for refusing overtime. ... that there were penalties for refusing overtime, though no details were provided. ... that some workers were told, a time of hire, that overtime would be mandatory.			Management will ensure that overtime will be voluntary with immediate effect. Workers will not be forced to stay for overtime. Overtime work will be announced one day in advance and posted on the notice boards.		Working Hours have decreased. A volunteer overtime list is prepared and workers are signing in voluntarily to stay for overtime. Verified by documentation check, 28.02.03.	
<b>10. Overtime Compensation</b>								
<b>Unpaid OT</b>	<b>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation:</b> 1) Regardless of any production quotas, incentives will not be reduced or unpaid if the result will be wages below the minimum wage. 2) Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work. 3) The factory shall comply with applicable law for premium rates for overtime compensation.	[It was reported in worker interviews] that the penalty for not reaching production quotas, or for production mistakes, is forced, unpaid overtime.			All kinds of financial punishments will be stopped immediately. Workers will not be forced to repair possible production mistakes after or before official working time or during breaks without payment.		Verified by worker interviews and documentation check, 21.08.02.	
<b>OT pay slips</b>	<b>FLA Code Benchmark VII: Wages and Benefits, Hours of Work, and Overtime Compensation:</b> 1) Regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards. 2) All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. 3) Employers will not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.	Based upon the auditors' analysis of the factory's payroll documents, workers' overtime hours are not being properly recorded. The auditors reported that, according to [worker interviews], shortly before the time of the audit, workers had begun working sometimes as many as 24 continuous hours. When the payroll documents of the above mentioned worker were reviewed by the auditors, it was found that there were no overtime hours recorded for that worker. Additionally, the auditors noticed an unaccounted for bonus payment on the pay slips of several workers. The auditors reported suspecting that large portions of workers' overtime compensation was being disguised as a bonus in order to conceal the fact of excessive, illegal amounts of overtime worked in the factory.			Overtime will be shown correctly on the pay slips and management will prepare a standard for bonus policy if bonus policy continues. Additionally, it has been discussed to clearly show the net salary at pay slips. In order to ensure that all workers do understand the pay slips it has been requested to post a sample pay slip on the notice boards showing basic explanations of net income, overtime calculations, etc. The name of the responsible person from accounting will also be written down on this sample to answer any questions coming from the workers.		Adding the net salary next to the gross salary will be effective from March 2003 with the new accounting software. A sample pay slip is posted on the notice boards to enable workers to understand their pay slips better. Verified by observation, 21.08.02.	Verified on 23.07.03
<b>Poor Record-Keeping/OT Categories</b>	<b>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation:</b> 1) Accurate and reliable payroll reporting, including pay stubs will be provided. 2) Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions. 3) Workers shall be informed about overtime compensation rates, by oral and printed means.			Overtime categories are not defined.	The names of the overtime categories (e.g. nightshift, holiday etc.) will be defined clearly instead of writing overtime under "others".		The management explained that this function could only be available with the change of their new accounting software program. They will be able to implement those changes starting from March 03.	Although "Others" still remain as one of the categories, after worker interviews, workers seemed to understand that it was used for overtime made during the week. However, it is still required from the factory to change the category rates.
	<b>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation:</b> 1) Accurate and reliable payroll reporting, including pay stubs will be provided. 2) Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions.			It was reported during worker interviews that some workers had to work overtime without payment.	Overtime will be shown correctly on pay slips. Management will make sure that no overtime is rubbed out due to punishment reasons etc.		Verified by documentation check, 21.08.02.	
<b>11. Miscellaneous</b>								
<b>Subcontractor facilities</b>		Per Audit Instrument factory has 3 subcontractors that are used in PC production orders (1 ironing, 2 sewing) and are not approved by PC.			Copies of all documents in the personnel files of the 12 contracted ironing workers will be kept in the factory. A copy of the pay slips will be filed every month. It is under the full responsibility of the factory that all contracted workers are employed under legally correct conditions and in compliance with adidas SoE.		The documentation system of the internal subcontractor for ironing was improved to adidas standards; but the factory decided to terminate with this subcontractor in March 03. The second subcontractor was already approved by adidas. The third subcontractor was later approved. The factory is not working with other unapproved subcontractors.	