

FLA Audit Profile	
Country	Thailand
Factory name	12007466C
IEM	Kenan Institute Asia
Date(s) in facility	November 17-18, 2004
PC(s)	Reebok
Number of workers	691
Product(s)	T-Shirts, Polo Shirts
Production processes	Sewing

		Findings						Remediation					
FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation (If Finding Corroborated/ Verified Via Multiple Sources, List All)	Was Finding Corroborated? Yes or No	If Not Corroborated, Explain Why	Best Practice	PC Remediation Plan	Target Completion Date	Required Documentation	Factory Response (Optional)	Company Follow Up (Cite Date of Follow Up)	Documentation Submitted
1. Code Awareness													
Worker/management awareness of Code	Nil	FLA Principles of Monitoring, Obligations of Companies: 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 factory had posted Reebok, [other non-FLA Companies] COC in the work place and also provided orientation the client's COC to new workers but no FLA COC posted in the work place. In addition, most workers lacked of awareness in their rights as per the element of code. They only knew about overall of their basic rights such as basic salary and benefit. The management and supervisor only presented a basic knowledge of code. Noted: Factory management stated that they do not have the FLA COC, so factory could not provide to the workers.	Visual inspection, management and workers interview.	Yes			Reebok Human Rights Production Standards are posted in the factory. Reebok will send the factory any updates of the Reebok COC to the factory.				(Dec 1, 05) As determined from visual inspection, [factory] still posts Reebok Human Rights Production Standards Poster in the factory premises. Note: Reebok conducted a Reebok Human Rights Production Standards training for 30 worker representatives in September 2004, two months prior to the FLA audit.	
2. Forced Labor													
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.													
3. Child Labor													
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.													

FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Findings					Remediation						
			Monitor's Findings	Documentation (If Finding Corroborated/ Verified Via Multiple Sources, List All)	Was Finding Corroborated? Yes or No	If Not Corroborated, Explain Why	Best Practice	PC Remediation Plan	Target Completion Date	Required Documentation	Factory Response (Optional)	Company Follow Up (Cite Date of Follow Up)	Documentation Submitted	
4. Harassment or Abuse														
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.														
Monetary Fines and Penalties		Employers will not use monetary fines and penalties for poor performance	The attendance allowance will be given to the group of work; however, if some one in the group have been absent, the group will be received the attendance allowance. Hence, the work who absent will be indirectly forced by the group.	Management and workers interviewed. Payroll ledger reviewed.					Factory to review policy to identify any improvements needed.	31-Mar-05		(Mar 23, 05) Factory submits a copy of written announcement, issued on 15 March 2005, to temporarily cease the collective attendance allowance policy. (Apr 5, 05) A survey result conducted in March for sample of 106 workers from various departments on the incentives preference reveal that 96% of surveyed workers prefer individual attendance bonus, 46% want a daily wage increase from 137 to 150 baht/day. (Dec 1, 05) Factory provides individual attendance bonus to workers effective, Apr 1, 05 onwards.	(Mar 23, 05) Factory announcement (Apr 05) Management-Welfare Committee meeting minutes on individual attendance bonus. (Dec 1, 05) Management and worker interviews, Oct-Nov payrolls review	
Monetary Fines and Penalties		Employers will not use monetary fines and penalties for poor performance	In case of worker loses their badge, s/he will pay for the new badge at 50 baht and if their badge was damaged, the cost of fixing is 10 -20 baht. This regulation is printed behind the worker's badge.	Worker interviewed and worker's badge reviewed.	No	Reviewed payroll is not found such deduction disclosed.			Factory must not use monetary fines as disciplinary measures. Factory to remove policy from worker's badges.			(Feb 28, 05) Based on document review, factory develops a notification no 010/VAS/2548, on unallowed monetary fines to workers. The factory communicated the policy with all production supervisors during regular meeting . All production supervisors have signed for evident of acknowledgement and shall follow the factory policy. There is no evidence of wage deduction as determined from Jan-Feb payrolls and worker discussion. (Dec 1, 05) As determined from worker interviews, workers report no monetary fines as disciplinary measures since the policy became effective.	(Feb 28, 05) Internal notification review, and worker interviews, (Dec 1, 05) Worker interviews.	
5. Nondiscrimination														
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.														
Hiring Discrimination Practices		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	The application form asking about race, religion, nationality, status of marry and military service of the applicant.	Application form reviewed					Factory must hire workers on the basis of individual skills and must not discriminate on the grounds of race, religion or political opinion. Factory to remove all elements (race, religion, nationality and military service) on application form not required by law, which are unrelated to job qualifications and specifications.	1-Feb-05	Factory to submit copy of new job application form.	Marital status is maintained on the form since it serves as an information base for tax calculation to all employees.	(28 Feb 05) Based on review of actual documentation on site, factory maintains use of new job application forms.	A copy of new job application form where all elements not required by law (race, religion, nationality and military service) are excluded.
Hiring Discrimination Practices		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	One worker informed that his friend use to apply the job in the facility and he did not get a job; because he was not passed the military service yet.	Worker interviewed					Factory practice to reflect policies that help prevent discrimination. Factory to develop a written hiring procedure which have objective criteria for the recruitment of workers.	1-Feb-05	Factory submit copy of hiring procedures.	The hiring procedure submitted to Reebok requires photographs, ID card, house registration, transcripts and/or recommendation letter from a job applicant. According to factory policy, it makes decisions on education, work experience and specific qualifications.	(28 Feb 05) Based on interview with recruitment staff and recently-hired male workers, they report the hiring process doesn't involve interview or requirement on military service certificate.	A copy of employment and hiring policy and procedures effective Jan 27, 05.
Hiring Discrimination Practices		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	Some worker stated that the factory only accepted/hired the worker who age between 18 to 32 years old.	Worker interviewed	No	The job advertisement and factory policy mentioned hiring age is above 18 years old.			Factory must hire workers solely on the basis of their ability to do the job. The factory must develop a system that effectively enforces its written policy against discrimination.	31-Mar-05		Factory does set the criteria of hiring age above 18 years old in order not to be against the Labor Law, which prohibits overtime work for juvenile workers.	(Feb 28, 05) Factory submits a copy of Employment policy issued on January 27, 05, with no gender and age restriction for job applicants. Based on random interview of new workers hired from January onwards, there is no evidence of questions related to ages. (Dec 1, 05) Based on interviews with new workers and recruitment staff, and review of application forms, there's no evidence of not hiring new workers older than 30 years old.	(Feb 28, 05) Copy of employment policy submitted. (Dec 1, 05) Interviews, application forms.
6. Health and Safety														
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities.														
Fire Safety Health and Safety legal compliance	The Notification of the Ministry of Interior Re: Working Safety Relating to Protection of Fire for Employees, Chapter 3, and Clause 19 (3)	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	The factory could not confirm the no. of worker who were trained the fire fighting which the legal required at 40% of total no. of worker in the work place.	Safety officer interviewed and document reviewed.	Yes				Factory to train all workers to meet the 40% of workforce in each production area on (i) how to use fire extinguisher (ii) how to extinguish small localized fires.	31-Dec-04	Factory to provide names of supervisors trained and dates of training.	Factory contacted the district bureau in arranging a basic-fire fighting training course for 350 employees on Dec 30, 04	(Feb 9, 05) Factory provided pictures and a copy of endorsement letter from the district bureau in arranging a basic-fire fighting training course for 350 employees on Dec 30, 04	Health and Fire safety training plan, district bureau letter
Fire Safety Health and Safety legal compliance	The Notification of the Ministry of Interior Re: Working Safety Relating to Protection of Fire for Employees, Chapter 3, and Clause 19 (3)	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	Not all supervisor is trained the safety officer at supervisor level in the facility.	Management and Safety officer interviewed. Document reviewed.	Yes				Factory to (a) train all supervisors, as required by the local law, to be safety officers at next supervisory level on (i) how to use fire extinguisher (ii) how to extinguish small localized fires.	31-Dec-04	Factory to provide names of supervisors trained and dates of training.		(28 Feb 05) Factory conducted health and fire safety training during 12-13 February for 40 supervisors to meet the legal requirement. After the training, factory appointed these production supervisors to have accountability in overseeing health and safety issues in their departments.	Health and Fire safety training plan, appointment memo
Fire Safety Health and Safety legal compliance	The Notification of the Ministry of Interior Re: Working Safety Relating to Protection of Fire for Employees, Chapter 3, and Clause 19 (3)	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	Factory did not report to the Factory Division (Governmental Organization) concerning to the detail of wastage as wastage's type, quantity, characteristic, containing and disposal system in the factory (RG.6)	Document reviewed. Safety officer interviewed.	Yes				Factory must comply with all applicable laws regarding health and sanitation. Factory must (a) disclose waste materials to government agency (b) develop plan for maintenance of records of waste disposal.	31-Dec-04	Factory to submit waste disposal records.	Factory disclosed waste materials to government agency.	(9 Feb 05) Factory submits a copy of waste disposal document called Ror Ngor 6 to the Provincial Industrial Bureau, dated 22-Dec 04.	A copy of waste disposal document, called Ror Ngor 6.
Fire Safety Health and Safety legal compliance	The Notification of the Ministry of Interior Re: Working Safety Relating to Protection of Fire for Employees, Chapter 3, and Clause 19 (3)	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	No tag out posted while the technician is fixing the boiler at building 1.	Visual inspection.	Yes								Our agent confirmed during a visit on 12/22/2005 that tag out/tag out cards are used when mechanics are to fix or conduct maintenance operations at the boiler and other machines. However, a written procedure is not available for verification. Reebok will follow-up at our next visit.	
PPE	The Notification of Ministry of Interior Machinery Safety Chapter 1 Section 2:	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.	One worker in cutting section wears only one side of steel mesh-glove while work with band knife machine.	Visual inspection.	Yes				Factory must eliminate machine hazards to the greatest extent possible. Factory must enforce operational safety by (a) requiring worker to wear both sides of steel mesh gloves when operating band knife machine and (b) training workers on how to wear steel mesh gloves.	15-Jan-05	Factory to submit copies of training materials and names of trainees and their signatures.	Factory conducted training for workers on Dec 1, 04.	(Feb 28, 05) Based on Reebok monitor's discussion with workers, the workers understand and can explain hazards and operational safety. Steel mesh gloves are available on site. Safe work instruction is also posted in the operational area. (Dec 1, 05) Based on worker interviews, workers were well aware of instruction of use of cutting machines.	A copy of band knife training manual used in operational safety training provided to three band knife operators on Dec 1, 04. (Feb 28 and Dec 1, 05) Visual inspection and interviews.

FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Findings					Remediation					
			Monitor's Findings	Documentation (If Finding Corroborated/ Verified Via Multiple Sources, List All)	Was Finding Corroborated? Yes or No	If Not Corroborated, Explain Why	Best Practice	PC Remediation Plan	Target Completion Date	Required Documentation	Factory Response (Optional)	Company Follow Up (Cite Date of Follow Up)	Documentation Submitted
Chemical Management	The Notification of Ministry of Interior, Re: Working Safety Relating to harmful Chemicals, Chapter 1, Clause 8	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 chemical containers are not kept in proper area (Those are kept in the ware house) and no MSDS posted in the keeping area as well.	Visual inspection.	Yes			The factory must ensure that chemical containers are stored away from direct sunlight in a cool, dry room, separate from the production lines, production materials and employees. Factory must shift chemical containers to appropriate location that meets these conditions.	31-Dec-04	Factory to provide pictures of chemical storage room.		(Feb 28, 05) Factory stores chemical containers in a new location away from direct sunlight in a cool, dry room, separate from the production lines, production materials and employees. MSDS are accessible in the storage facility.	Factory submitted pictures of chemical storage where chemical containers with secondary containment are kept. (Feb 28, 05) Visual inspection.
Chemical Management	The Notification of Ministry of Interior, Re: Working Safety Relating to harmful Chemicals, Chapter 1, Clause 8	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	No MSDS for Skowell (Cleaning solvent) posted in area of using; laundry section.	Visual inspection.	Yes			Factory must (a) post MSDS in areas where hazardous chemicals are used and (b) develop a plan for posting MSDS and appoint a person accountable for all postings.	31-Jan-05	Factory to submit name of individual and picture of MSDS posting.	Factory reported Skowell is no longer used.	(Feb 28, 05) Based on visual inspection, no Skowell agent is further used in the factory premises. MSDS are accessible in work areas and chemical storage.	Factory submits pictures of MSDS posted in work areas where chemicals are used, and in the chemical storage area.
Chemical Management	The Notification of Ministry of Interior, Re: Working Safety Relating to harmful Chemicals, Chapter 1, Clause 8	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 factory has not provided special health check for chemical operator, who deals with Acetone (Cleaning solvent), in order to verify chemical exposure level by such worker.	The annual medical examination report reviewed and safety officer interviewed.	Yes			Factory must (a) comply with all applicable laws and regulations regarding risk protection. Factory must take all precautions possible to prevent accidents and reduce health risks. Factory must develop a plan for high risk workers, especially those dealing with hazardous chemicals, and appoint an individual who will be accountable for implementing the plan.	31-Dec-04	Factory to provide copies of policies and procedures of onsite treatment.	Factory determines Sabin 406 and CR 120-42 as cleaning agent in use, which have no acetone as ingredient, according to MSDS. Factory provided a special health check of 6 operators in early January. The hospital that undertook the health examination reported that ingredients of these 2 chemicals are not subject to lab analysis due to limited use of chemicals. In addition, factory set up workstation to dispose of chemicals outside of the building with ventilation system.	(Feb 28, 05) From visual inspection, factory arranges the workstation with contact of these two chemicals outside factory's building, with natural air-flow ventilation.	Copy of letter from Bangkok hospital on lab analysis. And visual inspection
Chemical Management	The Notification of Ministry of Interior, Re: Working Safety Relating to harmful Chemicals, Chapter 1, Clause 8	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	Oil container is not storage in proper area. One oil container in area of building 5&6 is place in out door.	Visual inspection.	Yes			The factory must ensure that chemical containers are stored away from direct sunlight in a cool, dry room, separate from the production lines, production materials and employees. Factory must shift chemical containers to appropriate location that meets these conditions.	31-Dec-04	Factory to provide pictures of chemical storage room.	Factory stores chemical containers in a new location away from direct sunlight in a cool, dry room, separate from the production lines, production materials and employees. MSDS are accessible in the storage facility.	(Feb 28, 05) From visual inspection, oil container is stored storage away from direct sunlight.	Factory submits pictures of chemical storage where oil containers with secondary containment are kept. And visual inspection
Machinery Maintenance	The Notification of Ministry of Interior Machinery Safety Chapter 1 Section 5(8):	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	No record of forklift driver training is kept; thus, the monitor cannot prove the forklift driver passed the training.	Document reviewed and safety officer interviewed.	Yes			Factory must ensure that forklift drivers receive safety training in relation to their work areas and tasks. Factory to train current and future forklift drivers to prevent hazardous conditions.	1-Feb-05	Factory to submit forklift training certificates		(Feb 28, 05) As determined from visual inspection, factory posts forklift certificates with pictures of forklift drivers in the forklift. Drivers are able to explain driving instruction and cautions for possible accidents, according to interview on site.	Forklift certificates, worker interviews
Machinery Maintenance	The Notification of Ministry of Interior Machinery Safety Chapter 1 Section 5(8):	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	Some sewing machine is missing the lower pulley guard.	Visual inspection.	Yes			Factory must ensure that pulley guards are on all sewing machines. Factory to (a) inspect all machines and install appropriate pulley guards on machines that are missing. (b) develop procedures for machine safety to be communicated both in writing and verbally to all workers. Factory must appoint an individual accountable.	15-Jan-05	Factory to submit inspection records, list of machines needle guards and documentation showing installation.	Factory submitted pictures of lower pulley guards installed in sewing machines and copy of inspection record attached at each sewing machine.	(Apr 5, 05) Factory submits operational safety plans which include monthly safety inspection, and training on safe work instruction as part of the machine safety program. (Dec 1, 05) Based on visual inspection, some sewing machines have no lower pulley guards. Machine inspection record tagged at each sewing machines were not updated since Jan 05. Factory is required to develop a list of sewing machines where lower pulley guards are missing, and appoint a person accountable for installing guards where missing. New deadline: 15 Jan 06.	Factory submitted photos of lower pulley guards, (Dec 1, 05) Visual inspection and interviews
Sanitation in Dining Area	The Public Health Act B.E. 2535, Chapter 8, Section 38-40	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.	There is no food hygiene certification for all food shops in the canteen.	Document reviewed and safety officer interviewed.	Yes			Factory must comply with all local laws and regulations for food hygiene. Factory to (a) apply for food hygiene certification and (b) develop policies and procedures to comply with food hygiene laws.	1-Feb-05	Factory to submit copies of certificate for food hygiene plus policies and procedures.	Factory reports that is in the process of obtaining hygiene certificate for canteen from the provincial public health bureau. Prior to that, factory organized a training for all 6 food vendors on Dec 14 04 on food hygiene standards and regulations. (Trainers were 2 officials from provincial public health bureau). This was followed by an inspection on food and canteen environment on Jan 31, 05.	(Apr 5, 05) Factory submits a copy of letter to the provincial public health bureau, dated Apr 1, 05, reminding them to issue the certificate and proceed accordingly. (July 25, 05) Factory submits a picture of "Clean Food Good Taste" certificate hanging in each food vendor's stall in the canteen to demonstrate the canteen passes state's hygiene regulations. (Dec 1, 05) Canteen food vendors obtain "Clean food good taste" and health examination certificates posted in each vendor's stall.	Factory submitted a copy of letter of certificate and canteen inspection records. (Dec 1, 05) Visual inspection at canteen.
Legal compliance	Ministerial Regulation No. 2 (B.E. 2535) Issued under Factory Act, B.E. 2535 section 4 Clause 14 which states "No wastewater emission from factory except it is controlled appropriately until wastewater which enters the environment has toxic adulterate not over value that Ministry states in Government Gazette. But toxic must not control by dilution".		Laundry section drains the water directly to environment; therefore, there is no chemical using the laundry processes as the management and worker inform. Factory only wash the dirt garment with the water and softening agent.	Visual inspection.								(Mar 23, 05) Factory submits a picture of waste-water disposal system to ensure water, with or without chemicals using in the laundry processes, is not drained to water directly. (Dec 1, 05) A simple waste-water treatment system is in place, near the laundry room.	(Dec 1, 05) Visual inspection
Worker Participation		Workers should be involved in planning for safety, including through worker safety committees	...interviewed workers ... did not know the committee for safety, sanitation and environment of working.	Worker interviewed				Factory to develop policies and procedures to inform workers of internal problem solving mechanisms. Factory to appoint an individual to be held accountable to ensure implementation.			Factory to maintain a continuous implementation of Health and Safety committee meeting, although it keeps H&S committee in a low profile. Factory to improve worker awareness on worker representative body, the so-called Welfare Committee.	(Feb 28, 05) Reebok monitor reviews factory meeting minutes in internal files. (Dec 1, 2005) Based on document reviews and management interviews, Health and safety committee is not well-functioning, no review of H&S activities against the annual plan. Reebok monitor requires the factory to re-organize the H&S committee and ensure full-time professional safety officer. Deadline Jan 30, 2006.	
7. Freedom of Association and Collective Bargaining													
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.													
8. Wages and Benefits													
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.													
Legal compliance	Labor Protection Act BE.2541 Chapter 5 Section 60:	Workers will be paid for holidays and leave as required by law.	Payroll systems and production based figures show that sewing section workers are compensated on a daily minimum wage. In the accounting log it is called modular incentive payment system, our observations show that this type of compensation is based on piece rate. However, for calculating annual holiday, sick leave and other compensation are paid based on the minimum wage at 133 baht per day.	Management & worker interviewed, Payroll records reviewed	Yes			Factory to investigate (a) whether piece rate wages are equal to or above legal minimum wage. If not, factory to investigate (b) which workers owed wages and report to Reebok define next steps.	31-Dec-04	Factory to submit (a) copy of investigation report (b) copies of payroll records.	[Another factory and] the parent company reported that workers are daily-wage workers, not piece rate workers, as determined from employment contract and factory's internal HR system. The wage is guaranteed and paid to the minimum level on a daily basis.	(Dec 1, 05) Reebok and [another FLA PC] issued a letter to the Labor Ministry on 9 June 05, requesting a legal interpretation to determine whether daily wage # piece rate wage system in industrial practices are legally applicable. Issue not closed. Therefore, pending a legal interpretation from the Labor Ministry.	Copy of letter submitted to the Labor Ministry dated June 9, 05

FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Findings					Remediation					
			Monitor's Findings	Documentation (If Finding Corroborated/ Verified Via Multiple Sources, List All)	Was Finding Corroborated? Yes or No	If Not Corroborated, Explain Why	Best Practice	PC Remediation Plan	Target Completion Date	Required Documentation	Factory Response (Optional)	Company Follow Up (Cite Date of Follow Up)	Documentation Submitted
Legal compliance	Labor Protection Act BE.2541 Chapter 2 Section 32 and Chapter 5 Section 57:	Workers will be paid for holidays and leave as required by law.	Some worker is not compensated when s/he took a sick leave and could not submitted the medical certificate to facility.	Payroll ledger and sick leave record reviewed. Worker interviewed.	Yes			Factory must develop a policy for all legally mandated benefits, including pay for holidays and leave. Policy must be communicated both verbally and in writing to all workers.	31-Jan-05	Factory to submit a copy of policy for all legally mandated benefits.	Factory pays for sick-leave to any worker who cannot submit a medical certificate although they take 1 day of sick leave, since March 04 onwards. The sick leave policy and procedures are clearly communicated in factory's worker handbook distributed to new workers after orientation.	(28 Feb 05) As determined from sick-leave records and payroll records from May 04 onwards, factory paid for sick leave although medical certificate is not submitted. Based on the interview with HR staff, when a worker asks for a sick-leave form, HR department will put the record and sign the names. This balances and prevents a supervisor not to endorse sick leave request that has no medical certificate attached. (Dec 1, 05) Based on reviews of payrolls and management interviews, factory consistently pays for sick leave although medical certificate is not submitted.	(28 Feb 05) A copy of policy for legally mandated benefits submitted (Dec 1, 05) Sept-Nov 05 payroll reviews.
Legal compliance	Labor Protection Act BE.2541 Chapter 5 Section 56	Workers will be paid for holidays and leave as required by law	The factory regulation revealed that the annual holiday can not collect for next year and factory will not compensate the workers in case of they did not take the annual holiday.	Factory regulation reviewed.	No	The workers stated that they are compensated for annual holiday in case it still the rest.		Factory to ensure that all workers are paid for holiday and leave as required by applicable law. Factory to develop policies and procedures for workers to receive pay for holiday and leave.	3/31/2005			(Feb 28, 05) From documentation review, there are about 190 workers who haven't used all of vacation days according to their entitlement in 2004. Factory is required to arrange leave compensation or pay for their 2004 entitlement. Deadline: 31 March 05. (Apr 5, 05) Factory submits a revised worker handbook that specifies workers' entitlement of 6 annual leave days/year and a procedure to give a notice on leave 7 days in advance. (July 20, 05) Factory submits a name list of 143 workers on their untaken annual leave in 2004 and a copy of June 05 payroll for reimbursement. (Dec 1, 05) Based on review of June 05 payroll and worker interviews, factory reimbursed unused leaves.	(Feb 28, 05) Management interviews. (Apr 5, 05) worker handbook review (July 20, 05) Name list and a copy of June payroll (Dec 1, 05) June 05 payroll review and worker interviews.
Wage and Benefits Information Access	Labor Protection Act BE.2541 Chapter 9 Section 108	In general, workers will have access to understandable information about their wages and benefits, and will not express dissatisfaction with their ability to get information	No wage and benefit posted in the prominent area. Some of the workers could not explain how to calculate their remuneration, specially the worker who work on modular payment system.	Visual inspection, worker interviewed.	Yes			Factory must (a) communicate verbally and in writing to all new workers in their own language its policy on wages, incentive systems and bonuses. Factory must (b) conduct training on wage policy, including exercises for wage calculation. Factory must appoint an individual accountable for the training.	31-Dec-04	Factory to (a) submit written copy of wage policy (b) Name of individual accountable for training and list of participants who attended the training.	Factory has written wage policy and system which has been effective since July 2001.	(28 Feb 05) As determined from workers' discussion, workers roughly understand the wage payment structure. Factory also attaches a piece of paper in the worker handbook explaining how the wage structure system is. Reebok monitor recommended that factory distribute worker handbook to not only new workers, but also old workers to increase awareness of wage as well as factory policies, rules and regulations.	Factory submitted a copy of written wage policy, pictures of training day held on 29 December for 441 workers.
Wage and Benefits Information Access		In general, workers will have access to understandable information about their wages and benefits, and will not express dissatisfaction with their ability to get information	There is an "Other Deduction" column show in payroll records which could not identify for what deduction.	Payroll record reviewed				Factory to (a) report to Reebok what this deduction is and how workers agreed to it and (b) develop wage policy which defines all legal deductions from wages.	15-Jan-05	Factory to submit a report to Reebok and a copy of wage policy.	Factory posted written announcement on notice board, explaining "other deduction" column in the payroll means deduction from incentives overpaid (from miscalculation) by the factory in the previous payment due. If workers have questions on wage or inappropriate deductions upon receiving pay slips, they shall meet with HR department, according to the written announcement.	(28 Feb 05) Based on sampling of a deduction case the interviewed worker is unaware of neither deduction or wage increase due to miscalculation. Reebok recommended factory to issue a documentation note, whenever there is a such a case, explaining when and why a worker's wage is deducted. Worker should sign his/her name for acknowledgement. (Apr 5, 05) Factory submits a deduction form provided for HR to fill out and workers to sign with for acknowledgement. According to HR staff, there's no such the case since February. (Dec 1, 05) Based on worker interviews and document reviews, there's no case of any unauthorized wage deduction.	(Feb 9, 05) A copy of written announcement submitted. (Feb 28, 05) Management interviews, (Dec 1, 05) Worker interviews and document reviews.
9. Hours of Work													
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.													
Forced overtime		Under extraordinary business circumstances, employers will make extensive efforts to secure voluntary overtime work prior to mandating involuntary overtime	Some workers testimony stated that they were forced to work overtime in sometime.	Worker interviewed.				Factory must develop a voluntary overtime policy. The policy must indicate the conditions under which workers may exercise their right to refuse overtime without threat of punishment, penalty, dismissal, change of work assignment, deductions from earned income or denial of the opportunity to work overtime in the future. Factory to appoint an individual for enforcement of voluntary overtime policy.	31-Mar-05			(Jan 05) Factory submits a copy of voluntary overtime policy whereby workers will be informed of overtime before 14:00 of the day. In case a worker refuses overtime, a line supervisor holds responsibility to find replacement. (Feb 28, 05) As determined from both supervisors and workers discussion, they acknowledge of implementation under the policy. Supervisors sometime "request" their subordinates to do overtime if in need, workers say. (Dec 1, 05) Factory management is accountable for reviewing and approving OT requests on a daily basis to ensure workers are volunteer to do overtime work.	(Jan 05) Voluntary overtime policy submitted (Dec 1, 05) Management interviews.
Overtime Limitations		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	Some worker worked overtime exceeded 12 hours per week, particularly the sewing and packing section. The Maximum overtime is 35.5 hours per week is detected in sewing and packing sections.	Worker interviewed, attendance record reviewed.	Yes			Factory to ensure that workers work less than 60 hours in a week, except in extraordinary circumstances. Factory must (a) investigate appropriate rest breaks to account for extra production due to external factors. (b) develop an action plan that outlines how to reduce excessive working hours. Plan must be communicated both in writing and verbally to all workers.	(a) 15-Dec-04 (b) 31-Jan-05	Factory to submit an action plan for reducing excessive working hours.	Factory submitted action plan to Reebok. Under the plan factory will receive orders at the actual workforce capacity (based on 60 hrs/week standard). Factory has hired 26 more packing workers to accommodate the workload. During the months of January through February, factory will evaluate the plan's effectiveness.	(Feb 28,05) As determined from management interview, the management commits to reduce excessive working hours by following the plan and tackle re-work problem by improving QC process. (Dec 1, 05) As determined from September-November 05 data sheets, about one-third of workers, particularly those in packing section had excessive hours in some weeks. Management attributed problems to lack of efficiency, rework problem and high turn-over rates. Issue not closed.	(Feb 28, 05) Factory submitted an action plan on how to reduce excessive working hours. (Dec 1, 05) Sept-Nov 05 working hours data sheets, management interviews.
Legal compliance	Labor Protection Act BE.2541 Chapter 2 Section 27		When the overtime requires over 5 hours, the workers are not provided 1 hour rest.	Management and workers interviewed. Attendance records reviewed.	Yes			Factory must ensure reasonable meal and rest breaks.	15-Jan-05	Factory to submit a copy of 1 hour break policy	Factory developed a policy which says in extraordinary circumstances, if overtime work that starts 17:30 and is beyond 22:30, workers are required to take a break between 22:30-23:00. Workers swipe cards in and out to demonstrate the breaking time.	(Feb 28, 05) Based on discussion with workers who worked late at night, workers report they take a break at 22:30 as the policy states. (Dec 1, 05) Based on review of swiping time records, workers swiped out time card at 22:30 and back at 23:00 to demonstrate rest break when they work at night.	Factory submitted a copy of one hour break policy.

FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Findings					Remediation					
			Monitor's Findings	Documentation (If Finding Corroborated/ Verified Via Multiple Sources, List All)	Was Finding Corroborated? Yes or No	If Not Corroborated, Explain Why	Best Practice	PC Remediation Plan	Target Completion Date	Required Documentation	Factory Response (Optional)	Company Follow Up (Cite Date of Follow Up)	Documentation Submitted
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary	The overtime request form does not indicate a range/no. of overtime working hours or identify the number of overtime that required the workers to do per day.	Overtime request sheet reviewed.				Factory to provide in overtime request forms expected duration of overtime required to all workers, in advance of production.				(Feb 28, 05) Based on review of overtime request form, there is uneven practice whereby some supervisors record the duration of overtime, others don't. Factory is recommended to communicate this requirement to supervisors again, and Reebok monitor will verify factory's implementation in the next visit. (Apr 5, 05) Factory submits a copy of meeting minutes on April 2, 05 in communicating with 14 supervisors on the procedures to fill out OT request form. Supervisors signed their names for acknowledgement of this requirement. (Dec 1, 05) Based on review of OT request forms, expected duration of overtime required are provided.	(Apr 5, 05) A copy of meeting minutes. (Dec 1, 05) OT request form review and management interviews
10. Overtime Compensation													
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.													
Miscellaneous													