

*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.

FLA Audit Profile	
Country	Thailand
Factory name	07007448C
IEM	Kenan Institute Asia
Date of audit	March 10-11, 2004
Days in the facility	2 days
PC(s)	Nike, Inc.
Number of workers	3,837 (end of Feb'04)
Product(s)	Footwear
Production processes	Cutting, Sewing, Assembling and Sole Rubber mixing-pressing

FLA Code/ Compliance Issue	Legal Reference	FLA Benchmark	Findings				Remediation				
			Monitor's Findings	Documentation	Best Practice	PC Internal audit findings	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation
<b>1. Code Awareness</b>											
Other	LPA 1988 Chapter 9, Section 108: The employer having ten or more employees shall have work rules in Thai language. The employer shall disseminate and post the work rules in a public manner at the employees' work place, for the information and inspection by the employees at their convenience.		* There is no company rule and regulation posting.	Visual inspection			Factory should post rules and regulations on board at all times.	3/15/2004	Company posts the rule and regulation on announcement board regularly. However, sometimes personnel department has to prepare the board for The King or The Queen's Birthday or for urgent issue and this makes the board unavailable for a few days. The Company has since posted the rule and regulation and the Management Standards on the Public Relations board permanently.	Aug 26.04 Factory posts rule and regulation on board. There are also Nike Management standard and welfare committee meetings posted. Oct 19, 04 Rule and regulation are posted on board.	
Worker/management awareness of Code		FLA Principle of Monitoring, Obligation 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	Some of supervisors and workers are not aware of CoC [code of conduct]				Factory must provide COC training to new hires during orientation and ongoing re-training to workers and supervisors.	7/1/2004	Normally on orientation day new workers are educated about CoC by personnel department to make them understand the meaning. For workers who have worked with Company for a long time, Company will provide re-training to make sure workers understand CoC.	Aug 26.04 Factory provided CoC training and benefits entitlement training for workers and also provided them with brief summary leaflets on the trainings contents.	
<b>2. Forced Labor</b>											
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise											
<b>3. Child Labor</b>											
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.											
<b>4. Harassment or Abuse</b>											
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.											
Disciplinary Practices		Employers will utilize consistent written disciplinary practices that are applied fairly among all workers	The workers received different punishment under the same disciplinary case.				Factory must train supervisors on proper disciplinary procedures. No discipline measure should demean a worker's dignity.	12/31/2004	This is related to the frequency of the mistakes. If a mistake occurs the first time, the punishment will be less than the second time the mistake is made in the same disciplinary case. Action Plan: Revise warning form and every written warning needs to be approved by HR manager.	June 29,05 PC found no record that workers are disciplined differently for the same violation. Every warning letter is now approved by the HR manager. The letter is not directly issued from the supervisor.	Warning letter documentation on file with PC, whereby the same rules and punishment are applied at the same level.
Verbal abuse		Employers will prohibit screaming, threatening, or demeaning verbal language	Verbal abuse by supervisors				Factory must train supervisors on proper disciplinary procedures. No discipline measure should demean a worker's dignity.	4/1/2005	Factory plans to train all line workers and supervisors ( about 300 people) on supervisory skill through internal trainers who are certificated from Global Alliance) program. Start from Jan 04 and complete on April	June 29 05 PC interviewed workers and they said the factory has trained all supervisors and workers who have potential to promote to supervisor on effective communication. Interviewees said that their supervisors behave and speak politely to them.	Training content and training plan on file with PC for supervisor skills and human relationships.
Monetary Penalties		Employers will not use monetary fines and penalties for poor performance	The worker who came to work later than 30 mins. need to take leave without pay for one hour.	Worker interview, Pay roll staff interview.			According to the rule of "no work no pay", if workers come late, factory could deduct related to their real absent time, no higher. Factory must not reduce employee's base rate unfairly.	3/15/2004	If worker comes to work late less than 30 minutes, worker doesn't need to write the leave form and no money is deducted for that late. If workers come late more than 30 minutes, worker will have to write the leave form and the wage will be deducted according to the absent time	Oct 20,04 For workers who come late less than 30 minutes, factory pays full amount of daily wage. But if more than 30 minutes late, workers wages are deducted according to the late time.	Deduction documentation on file with PC.
<b>5. Nondiscrimination</b>											
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											

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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 of job announcement was specified the age of applicant (min. 24 years old)	Job advertisement			Factory must revise job announcement to not discriminate the applicants based on age.	3/15/2004	Job announcement for monthly workers will not specify the age of applicants.	Aug 26.04 Job announcement through both factory board and newspaper does not identify an age requirement.	
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 and nationality of the applicant.				Factory must remove questions of race, religion or nationality from the application form.		Factory does not use race and religion as discrimination factor. Factory will delete from application anyway.	July 5, 2004 - already deleted	Application forms on file with PC.
Pregnancy Risk		Employers will ensure that pregnant women are not engaged in work that creates substantial risk to the health of the pregnant woman.	Some of pregnant workers have no proper place to work.				Factory will review the conditions of the workstations and also gather feedback from the pregnant workers.	12/20/2004	At present factory has provided the light jobs and proper workplace where is not harmful to pregnant workers and their babies such as far from chemical usage area. In addition, Personal & Administrative Department have talked with pregnant workers about their work, so factory can improve workplace to be better.	Jan, 05 Found one pregnant worker working in standing position on a lift job basket.  June 29, 05 Walkthrough and interview workers, supervisors, and pregnant workers. All of those interviewed acknowledged that pregnant workers could not work with chemical, vibration, and could not lift heavy load of work. During walk through, PC verified that no pregnant workers work with chemical or stand when working or lifting heavy baskets.	
<b>6. Health and Safety</b>											
<b>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</b>											
Safety Equipment	Notification of Ministry of Interior, Re: Safety at Work in Work related to hazardous Chemicals	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	Some spill control apparatus in Spill Control Kit Box is lost/ missing.	NA	Nil		Factory should replace the lost spill control apparatus and appoint responsible person to check.	3/15/2004	It is indicated in chemical usage control procedures that responsible person of each spill control kit must refill materials immediately after usage.	Aug 26.04 Spill kit has responsible persons listed of apparatus.	Pictures of emergency spill control kit and dormitory fire drill plan on file with PC.
Chemical Management	Notification of Ministry of Interior, Re: Safety at Work in Work related to hazardous Chemicals	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 and MEK, in order to verify chemical exposure level by such worker.	The annual medical examination report	Nil		Factory must have annual specific health examination for chemical handler and hazardous chemical user.	10/1/2004	Factory normally has provided annual medical check up for all workers by dividing age of worker for this checking as follows - workers under 35 years of age will be x-rayed only and workers whose age is 35 years or older will have a 12 point medical check. For workers who are dealing with hazardous chemicals, factory will work with hospital to set a special check up.	Aug 26.04 In process of asking the doctor to verify what kind of special medical check up needed for workers handling chemicals.  Nov 2, 04 Factory already has list for specific physical check up for workers who handle chemicals. Plan to have check up on Dec 04.  June 29, 05 After asking doctor to do evaluation in factory on special exams needed for workers who work with chemicals, factory is now in 4th step of process (see attachment): Collecting feedback on list of workers who work with MEK, Acetone, Methanol, Isopropyl Alcohol, Zinc from each department. The factory plans to have hearing and lung tests on Sep and test on contaminated chemical in body on Aug 26, 05 which is the date that factory has annual medical check up.  July 5, 05 PC asked the factory to conduct chemical check sooner. The factory agreed to move timeline for chemical checking to Sep and will confirm the exact date and process on July 20.  Aug 17, 05 Chemical health checking will start the middle of September and finish at the end of September.  Dec 13, 05 Factory already conducted regular annual health check up for workers. But specific medical check up for chemical users has not been conducted yet. Factory	On file with PC: 1. Internal assessment sent to all divisions to indicate their risks/ contact on dust, noise, light, chemicals (including MEK, Acetone, Metanol, Isopropyl Alcohol, and zinc). 2. Time plan of each step on health checking projects.
Chemical Management	Notification of Ministry of Interior, Re: Safety at Work in Work related to hazardous Chemicals	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 did not provide emergency eye wash basin adequately in all places of chemical working operation for immediate use by chemical contacted-workers.	NA	nil		Factory needs to provide eye wash basin in all areas that have workers handling chemicals.	7/1/2004	Install eye wash basin in all departments (which have chemical storage room or chemical usage).	Aug 26.04 Factory bought 6 more eye wash stations: finished 4 stations and still 2 areas in process of installation which plan to finished end of Aug.  Oct 20, 04 Installation is already complete.	Pictures of eye wash stations and map on file with PC.

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Sanitation in Dining Area	Public Health Act B.E. 2535, Chapter 8, Section 38-4	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.	No permit for food producing	Nil		Factory should work with government officer to regularly test food hygiene of every food shop.	April 15, 2004	Company has the cleaning inspection everyday by the cooperation of central part and welfare representative. If any food shop does not pass the evaluation, that food shop will be get a warning and must improve. Company has requested for the hygiene certification from Public Health of Chachoengsao Province	Aug 26.04 update Factory trained food vendor and internal food safety team on food safety and health. Factory plans to conduct internal check on July. So far still postpone. Jun29 .05 Factory consulted with health and hygiene officer to do 3 times internal assessments before have the officer visit to conduct official hygiene test. So far factory already finished 2 internal assessments. The internal assessment not only covers food quality, but also assesses canteen structure and facilities such as ventilation, drainage, and restroom in canteen. There are 30 questions on the assessment form. In July the third time internal assessment will be conducted and then the external assessment will follow. July 28.05 The third and fourth time internal hygiene test by factory already completed and waiting for officer from health ministry to do assessment on Aug 19,05 Dec 13.05 Health Ministry officers conducted site visit at [factory] canteen. Factory is in process of addressing the improvement areas that were highlighted and will invite	Internal food safety audit plan on file with PC.
Sanitation in Dormitories	Notifications of Ministry of Interior, RE: Safety at Work Related to Fire Prevention and Protection of Workplace for Employee's Safety.	All dormitories shall be kept secure, clean and have safety provisions (such as fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting etc.). Emergency evacuation drills should also be conducted at least annually	There has been never fire and evacuation drill and practice in dormitory facility. The evacuation map is not posted in the dormitory.	No fire drill record	Nil		Factory conduct fire and evacuation drill at dormitory at least once a year.	9/1/2004	Post evacuation map and practice on evacuation drill.	Oct 20,2004 Already conducted fire and evacuation drill at dormitory.	Pictures of directional arrows in facility on file with PC.
OSH Documentation system	NA	NA	Nil	Nil	The factory has well-managed OSH document system because the factory has been certified under QMS and EMS standards (ISO 9000 and ISO14000). Plan, work procedure and record of operation are developed for almost health and						
Evacuation Procedure	Notifications of Ministry of Interior, RE: Safety at Work Related to Fire Prevention and Protection of Workplace for Employee's Safety.	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	The evacuation aisles in Building X have no directional arrow painted at the middle of aisle boundary.	NA	Nil		Paint and make sure that it is consistent to emergency map.	4/1/2004	1. Provide a directional arrows painted at Building X ( at the middle of aisle boundary). 2. Checking on directional arrow bi-monthly.	Aug 26.04 Already provided	
Evacuation Procedure	Notifications of Ministry of Interior, RE: Safety at Work Related to Fire Prevention and Protection of Workplace for Employee's Safety.	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	Some aisles was blocked by factory carts and other production items such as raw materials	NA	Nil		Aisles must be free of obstacles.	Aug'04	Setting up a traffic management program (included carpark/ material transfer area)	Aug 26 .04 Paths are not blocked	
Evacuation Procedure	Notifications of Ministry of Interior, RE: Safety at Work Related to Fire Prevention and Protection of Workplace for Employee's Safety.	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	Some emergency plans, a workplace layout showing the location of exit and evacuation route, are lack of "You are here marking". Hence, the workers and factory visitors may confuse when they look at the map in order to find the exit and escape route.	Emergency map	Nil		Revise all emergency plans.	7/1/2004	Updating all emergency plans by indicating fire exit number and symbol "You are here".	Aug 26.04 Already revised but not posted yet. Sep 1,04 Factory already revised and posted emergency plans in case of fire or emergency.	Pictures of evacuation plan on file with PC.
Evacuation Procedure	Notifications of Ministry of Interior, RE: Safety at Work Related to Fire Prevention and Protection of Workplace for Employee's Safety.	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	Some emergency map shows "you are here marking sign" in the wrong location. The location of "You are here sign" is not in line with the true location where the map is posted.	Emergency map	Nil		Revise all emergency plan	7/1/2004	Revising all emergency plan	Aug 26.04 Already revised but not posting yet Sep 1,2004 Factory already revises and posts emergency plan in case of fire.	Pictures of emergency plan on file with PC.
Sanitation in Facilities	NA	All facilities including factory buildings toilets, canteens, kitchens, and clinics shall be kept clean and safe and be in compliance with applicable laws	Some first aid and pharmaceutical supply in first aid box located in production area is lost/missing . It is not in line with the ledger, which was posted against the box cover.	NA	Nil		Factory assign knowledgeable person to be responsible for checking first aid kit and fill the empty pills and keep record of drug usage.	7/1/2004	Having "first aids work instruction" and responsible person of each first aids box must check on pharmaceutical first aid quantity by daily.	Aug 04, Have responsible person assigned and have drugs stocked	Pictures of first kit maintenance log and supplies on file with PC.

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Sanitation in Facilities	NA	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 toilet supply in worker toilet is lost or used up such as hand towels and the hand cleaning reagent container is empty.	NA	Nil		Factory checks toilet supplies and refills them regularly.	3/15/2004	Personnel Department has checked toilet supplies regularly and informs housekeeper (cleaning worker) to refill supplies if there is any shortage. Sometimes we see some toilets do not have the hand cleaning agent to refill it because department chief has to sign for approval and sometimes he / she is not in. Solving the problem: If department chief is not in plant housekeeper will send the requisition to Personnel	Aug 26,04 Hand towels and the hand cleaning agent container is empty. June 29,05 There are hand towels and cleaning agent in restrooms.	
Chemical Management	Notification of Ministry of Interior, Re: Safety at Work in Work related to hazardous Chemicals	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	On site MSDS updating system is not practiced efficiently	MSDS	Nil		Factory pulls out old MSDS from chemical using area.	7/1/2004	Control all MSDS as document control procedure and provide a master list of MSDS.	Aug 26, 04 Filing system for chemical usage is revised. Have one master list. MSDS that are not used have been pulled out.	
Chemical Management	Notification of Ministry of Interior, Re: Safety at Work in Work related to hazardous Chemicals	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 perhaps has not provided safety chemical training to the worker adequately	Worker training record, curriculum, training plan	Nil		Complete hazardous chemical safety training should be provided to workers.	7/1/2004	Establish new training course on safety chemical usage.	Aug 26,04 Already had training course on safety chemical usage.	Chemical spill and PPE usage training content on file with PC
<b>7. Freedom of Association and Collective Bargaining</b>											
<b>Employers will recognize and respect the right of employees to freedom of association and collective bargaining</b>											
Employer Interference in registration	LPA 1988, Chapter 7, Section 96: The directors of welfare committee in such business establishment shall be elected in accordance with the rules and methods as prescribed by the Director-General.	The employer will not interfere, to the detriment of worker's organizations, with government registration requirements regarding the formation of workers' organizations.	The selection of worker representatives was not transparent and some of the workers do not know and aware of worker representatives. Therefore, factory has submitted the documents regarding the welfare committee election process after the report has been send to FLA and PC. Based on the document submitted, it could be indicated that factory has done the welfare committee election according to the law require.	Worker interview, management interview			PC's position is that factory is not interfering with welfare election. Announcement to workers asking interested workers to apply for welfare committee candidate for 2003-2004. Open for application from Sep 10,2003 until Sep 20 at HR office. The election date will be Sep 30. The result of election will be announced on Oct 1, 2003.  There are monthly meeting.	See internal audit findings.	4/1/2004	Factory invited workers to apply for welfare committee representative by posting an announcement on board for 2 weeks. Factory also facilitates committee work on election process.  Company posts the meeting minutes on the boards.  Next election will be set on Oct expires.  Aug 27,04 Factory had meeting with provincial head and other factories on effective welfare committee election process.  Oct 15,04 factory has welfare committee election. On election date, Nike and FLA representatives were witnesses.	
	Where a employee's committee under the law governing labour relations already exists in any place of business of the employer, the employees' committee shall perform the duty of the welfare committee in the business establishment under this Act.		Welfare committee was elected from selected supervisors and workers by management. The HR manager informed that there was no one interested to join and apply for being worker representative. However, the factory could not present the welfare committee election announcement. Moreover, the welfare committee minutes of meeting was not posting at the premises which is not complied to the Thai Labor Protection Act 1988.	Visual inspection and worker interview			Factory should post welfare committee activities and educate workers to use bulletin boards effectively.	4/1/2004	Company posts the meeting minutes on the boards in Company.	Aug 26,04 To increase channel of communication, the factory not only posts information, but also distributes leaflets and shares through internal radio line.	

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<b>8. Wages and Benefits</b>											
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											
Minimum Wage		Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher	Lack of minimum wage payment for xxxxx workers.	Pay-roll record, worker interview, management interview			For all workers who work in the production line and produce product that factory can sell for profit, factory must pay at least at the minimum rate where factory is located.	4/1/2005	Information: Before worker from xxxxx in xxx province came to be trained at the factory, both company and workers have agreed to these training conditions: 1. Remuneration (Daily wage at Burirum rate) : 136 Baht per day 2. Training 4 hours a day for the first 2 weeks, 8 hours a day for the third week and have vacation on Saturday - Sunday. 3. In the case that worker can work, Company will allow them to stitch the part of shoes and can work OT for not more than 12 hours per week.  Action Taken: Company paid back 4 baht a day for workers from xxx province who worked in production line. This amount to bridge the gap of daily payment rate between the rate used at this factory (140Baht) and at xxx facility (136 Bhat) . And for future training, workers from xxx province would not be allowed to work in production line, only	April 2004. Factory repay xxx workers who worked in production line. And workers from xxx have to be trained in training center only, not allowed to train in production line.	Payback documentation on file with PC.
Pay statement		Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions	No pay slip providing for xxx workers and the pay slip for xxx worker is not completed for example, there is no number of OT hours etc.	Pay slip and worker interview			Payslips should be provided to all workers, so they understand and can check their wage earned.	4/15/2004	For the training payment, company paid cash on the 15th and 30th of every month since the factory in xxx province didn't open yet. Now, this company is open under name "xxxxx and workers get the wage slip since April 15, 2004.	April 2004. XXX workers already get pay slip which have amounts of regular and OT payment, social security deduction, and other income.	Payback documentation on file with PC.
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	No wage and benefit posting. Some of the workers could not explain how to calculate their remuneration, specially the worker who work on target.	Worker interview and visual inspection			Factory re-train on wage calculation and benefits provided and also posts these topics on board.	4/1/2004	Company retrains workers on wage calculation and the benefits provided and posts the content on the board.  Update : Action Plan Oct 04 During orientation the personnel officer will clarify the method of wage calculation to new workers and then will have exam form to confirm workers understand calculation method	Aug 26.04 and Oct 20, 2004 Factory posted wage calculation and benefits provided on board. However, still found that some workers still do not understand well how their wage is calculated.  June 29,05 Workers could compute their wage well even sole pressing workers who have a more complicated payment structure than others . They could explain the way their wages are calculated on a daily wage, OT and incentive very clearly.	
Payment of Legal Benefits		Legally mandated benefits will be provided or paid in full within legally defined time periods	The workers were requested to present medical certificates after one day of sickleave.				According to labor law, factory could require medical certificate in the case of 3 consecutive days of sick leave. Factory must implement a clear policy on medical certificate requirement and provide training to supervisors and workers on the policy.	1/7/2005	In practice, supervisors do not ask for medical certificate if worker takes 1 day sick leave. This mistake might be because some workers are used to the old practice. However, factory will post an announcement that workers don't need to present the medical certificate for 1-2 sick leave days.	May 13,05 Based on time records, payroll, and workers interviewed. Factory paid workers even though they did not provide medical certificate. In orientation, the factory mentions that sick leave for 3 days or more requires the worker to provide a medical certificate. Factory also posts announcement mentioning that medical certificate is needed when taking sick leave 3 days or more.  June 29,05 Interviews and time attendance show that workers get paid even when they do not hand in medical certificate for 2 days of sick leave.	1) Workers interviews 2) Sample attendance indicated that worker had not come to work for 2 days. The sick days are recorded as sick leave without medical certificate. 3) Verified through payroll records that these 2 leave days were paid. Also verified with worker that sick leave was

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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	Payroll format is very complicated, specially for the worker who work on target. (It is very hard to understand and trace back.				Factory should educate workers on how to calculate their wages and OT correctly and try to use factory's orientation and bulletin boards effectively.	1/7/2005	At present, factory has educated workers in orientation about the method of wage calculation and show sample of calculation method on board. Factory will ask supervisors to educate workers on calculation method again.	Jan 25,05 Still found that some workers couldn't explain how wage compute. June 29,05 Workers could compute their wage well even sole pressing workers which is a more complicated payment structure than others and could explain the way they are compensated for daily wage, OT wage and incentive very	

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<b>9. Hours of Work</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.											
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	In March 2004, some of workers worked consecutively 8 days without a day off and in January 2004 some of worker record has the average working hours 72-78 per week.	Time sheet records review			Factory should control working hours to not exceed 60 hrs/week and should provide one day off after 6 consecutive work days.	4/1/2004	About working during holiday and work OT more than 60 hours / week, our management order factory manager not allow workers to work more than 60 hours / week and must have holiday at least 1 day / week.	Aug 26,04 - Factory has announcement on work hours and overtime policy by limiting work hours per week at 60 hours effective from 1 Aug 2004 onward. - Work hours of 20 selected samples from various departments during 1 May-31 July 04 did not find workers worked in excess of 60 H/W. Found some workers worked on Sunday one week a month, but total work hours for that particular week didn't exceed 60H/W.  Oct 20,2004 During July – Oct 2004, an average work week is 63.5 and maximum found is 73.5 H/W. Found workers came to work on Sunday.  Jan 25,05 Production line, verified workers did not work more than 60H/W and workers had day off. But in sample Room workers worked without 1 day out in 7 for several weeks.  June 29,05 Found 2 departments with work hours still exceeding 60 per week at xxxxx and xxxxx department. Maximum work hours are 66.5 and 70 respectively. In addition found that workers in xxx department worked without a day off for several weeks. July 28,05 Not found any workers worked more than 60 H/W. They also have 1 day off in 7.  Dec 13,05 during aug - early week of Dec, not found	Work hour and OT policy on file with PC.
Forced overtime		Under extraordinary business circumstances, employers will make extensive efforts to secure voluntary overtime work prior to mandating involuntary overtime	Some of the workers have to find out the replacement in case they would not like to work OT.	Worker interview.			Factory should provide training to supervisors to emphasize supervisors' responsibility of scheduling OT work and finding replacements. PC to conduct follow-up check on this issue to promote continued compliance.	12/31/2004	When factory needs worker to work OT, factory will ask for volunteers and volunteers will have to sign OT voluntary sheet first. However, sometimes some workers who agree to work OT will ask their friends to replace without factory acknowledgement if they can not do as promised. Action Plan: Have a meeting every morning before start work on voluntary OT work to notify workers if they cannot work OT as promise, they do not need to find a replacement	Factory visit on May 13, June 29 and July 28,2005; workers and supervisors interviews found that factory has informed them of voluntary OT. Workers said that they could leave after normal work hours as they want and don't need to find other workers to replace them. It's supervisor duty to find out the workers who want to work OT from other line to replace their position.	Interviews
<b>10. Overtime Compensation</b>											
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.											
Legal Compliance	LPA 1988, Section 61, Chapter 5: In case the employee requires that the employee work overtime on a working day, the employer shall pay overtime pay at the rate of not less than one and a half times the rate of hourly wage of normal working hours for the hours of overtime, or not less than one and a half times the rate for each work until performed on a working day for employees who receive wages calculated on a work unit performed basis.	The factory shall comply with applicable law for premium rates for overtime compensation	From pay-roll sheet, most of worker who work on target receive their OT rate as the incentive bonus which is not compared and paid according to LPA 1988 (premium rate of OT) However, the legal requirement does not mention about the incentive bonus thus this should be proved by Labor department.				A legal interpretation from Thai Labor Ministry is requested to confirm that factory's wage practice is in accordance with Thai Labor Protection Act. PC plans to organize the formal meeting with labour department and labour court to discuss this practice.	1/31/2005	Factory will write the letter to Director of Labor Department to interpret whether or not the current wage paid complies with law.	May 13,05 Received a reply letter from the labor officer interpreting the current payment of [factory] for target/incentives is not against the law.	On file with PC is: 1) The letter the factory sent to the labour welfare and protection office, which describes the wage calculation the factory uses to pay workers. 2) The labour office reply, whereby the labour officer indicates that payment is not
OT Compensation Awareness		Workers shall be informed about overtime compensation rates, by oral and printed means	The OT calculation was discrepancy with company announcement.				Factory should review company announcement on OT calculation and correct any discrepancies.	1/31/2005	It should be incentive calculation rather than OT calculation. Since OT rate is a fixed rate. But incentive will vary model by model. Action Plan. Factory will perform document review and walk through to make sure that all documents on incentive are consistent.	May 13,05 PC did not find any discrepancy of the OT rate posted.  June 29,05 PC did not find any discrepancy of the OT announcement posted.	
<b>Miscellaneous</b>											

FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Findings			Remediation					
			Monitor's Findings	Documentation	Best Practice	PC Internal audit findings	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation
	The Labor Protection Act 1998 Chapter 9, section 113 The register of employees' register shall contain at least the following particulars: (1) Name and family name. (2) Sex. (3) Nationality. (4) Date of Birthday. (5) Present address. (6) Date of commencement of employment. (7) Position or duty. (8) Wages or other remuneration which the employer agrees to pay the employees. (9) Date of termination of employees. If it is necessary to change in any particulars of the employees' register, the employer shall amend such register completely within fifteen days from the date of such change or within fifteen days from the date the employee informs the employer of any changes.		Incomplete working contract and wrong worker record keeping. For example: there is no contract of the workers from xxx province, some contract did not mention the worker's compensation and some lack of contract date and in the worker records and contract are not consistency.	Document review.m (Worker's files)			Factory should check that start date and employment contract is the same day. Factory must keep proper documentation for all the workers in accordance with local regulation.	4/1/2004	Every Thursday as recurring process, factory provides applicants information on rules and regulations. If applicants accept these conditions (payment, benefit work hour, and so forth) they could come to work and sign employment contract on next Monday. This might cause confusion on start working date. To prevent this in the future, applicants are provided an explanation on this process and HR will be more careful when filling in the start date of applicants.	Oct 20,2004 Workers from xxx province already moved back to their factory in the province. All of them already have employment contracts.	