

*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	12007473D
IEM	Kenan Institute Asia
Date(s) in Facility	September 12 & 13, 2005
PC(s)	Reebok International, Ltd.
Number of Workers	181
Product(s)	Jacket and Pants
Production Processes	Cutting, Sewing, Ironing, QC, Packing

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Non-Compliance	Risk of Non-Compliance	EM Findings		Sources/Documentation	Notable Features Implemented by Factory Management or Company	PC Remediation Plan	Target Completion Date	Factory Response (Optional)	Remediation	Status	Updates (Cite Date of Follow up)		
					Evidence of Non-compliance (un corroborated)	If not corroborated, explain why						Company Follow Up (Cite date of follow up)	Documentation	Completed, Pending, Ongoing	Company Follow Up	Documentation
<b>1. Code Awareness</b>																
Code Posting/Information	The Labor Protection Act Chapter 9, Section 108:	<b>FLA Principle of Monitoring, Obligation of Companies:</b> Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	The factory's regulations have not been submitted for approval by the Department of Labor Protection and Welfare, Ministry of Labor.				Personnel officer interview and documents review.					(24 Nov 05) Factory maintains a copy of a written notification from Ladkrabang Labor Office, dated 15 Feb 2000, for acknowledgement of submitted factory internal regulations.	Document review	Completed		
Worker/Management Awareness of Code	Nil	<b>FLA Principle of Monitoring, Obligation of Companies:</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.	Nil	Most workers are not aware of factory's standards and codes of conduct although they have been provided during orientation upon hiring. The standards are posted in prominent, accessible places.			Workers interview and visual inspection.					(13 Dec 05) Factory submitted internal memo on Human Rights Standards that was communicated to production supervisors on 30 November 05. Based on document review, supervisors signed on their names for acknowledgement. (20 Jan 06) Reebok monitor provided Reebok Human Rights Production Standards and legal application training to 13 worker representatives on 20 Jan 06 at the factory.	(13 Dec 05) Document review Training manuals and list of attendees are maintained in factory's file.	Completed		
<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																
Employment Records	Nil	Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision	Nil	The employment contracts are not duplicated or copied for the workers as reference.			Personnel officer interview and documents review.					(24 Nov 05) Factory submits a list of workers, totaling 156 persons, who have received a copy of their employment contract, dated 4 November 05. Based on document review, workers signed their names upon receipt of copy. (9 Jan 06) Factory submits additional list of new workers hired in Dec 05 who obtained a copy of employment contract, showing consistency of implementation.	Document review and management interview	Completed		
<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.																
<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.																
Hiring Discrimination Practices	Nil	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 contains questions about race, nationality, sex and religion which may lead to discriminating practices.				Documents review and personnel officer interview.					(24 Nov 05) Factory submits revised application forms which exclude questions about race, nationality, sex and religion. (13 Dec 05) Factory uses new application forms for hiring new workers from mid-October 05 onwards. (9 Jan 06) Factory continues to use new application forms, showing consistency of implementation.	Document review and management interview	Completed		

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					Evidence of Non-compliance (un corroborated)	If not corroborated, explain why						Company Follow Up (Cite date of follow up)	Documentation		Company Follow Up	Documentation
<b>6. Health and Safety</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																
Safety Equipment	The Notification of the Ministry of Labor and Social Welfare RE. Welfare in the facility: 2(1)	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.	NC: The first aid box in the cutting section has inadequate medical supplies.				Visual inspection.		Factory to maintain medical supplies in accordance with the Reebok Human Rights Production Standards.	11/30/2005		(13 Dec 05) Factory maintains medical kits and supplies in production areas; Stitching, Coupons, Samples, Cutting and Packing departments in accordance with the Reebok Human Rights Production Standards. Factory assigns staff accountable for inspecting and supplying medicines and supplies regularly. (20 Jan 06) Medical supplies in Cutting and other departments are adequate.	(13 Dec 05) Visual inspection, document reviews, worker interview (20 Jan 06) Visual inspection	Completed		
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 machines are not equipped with the upper and lower pulley guards.				Visual inspection.				(24 Nov 05) An action plan was submitted, declaring a total of 143 sewing machines to be installed with upper and lower pulley guards by Feb 06; 50 in Dec 05, 50 in Jan 06, and 43 in Feb 06.	(20 Jan 06) The installment of upper and lower pulley guards is on-going. (7 Apr 06) According to visual inspection, 95% of sewing machines have upper and lower pulley guards. A mechanic reported that the rest are sewing machines brought from outside. Issue remains open.	Visual inspection	On-going	In 2005 Reebok created and delivered a remediation plan to this factory in order to address the issues found during the original IEM visit. Yet, in 2006 this facility was deactivated by Reebok's sourcing units due to production and human rights related issues. As a result, Reebok's Human Rights Team was unable to ensure a successful completion of the remediation plan.	
Machinery Maintenance	Nil	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	No record of elevator inspection is kept.				Visual inspection and documents review.					(13 Dec 05) Factory maintains records of elevator inspection. It is kept at the elevator. (7 Apr 06) Factory regularly inspects and maintains elevator. Inspection records with inspector's initials are tagged at the elevator gate.	(13 Dec 05) Document review and visual inspection (7 Apr 06) Visual inspection	Completed		
Machinery Maintenance	Nil	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	The cutting machine at the maintenance section is not properly covered with guard.				Visual inspection.					(13 Dec 05) Factory has already installed guards at cutting machines	Visual inspection	Completed		
Fire Safety Health and Safety Legal Compliance	The Notification of the Ministry of Labor and Social Welfare RE. Welfare in the facility. 1 (1)	Employers will comply with all national and local laws and regulations concerning collective bargaining and free association. Where conflicts are known to exist, employers will use the standard that provides the greatest protection for workers.	Filtered drinking water at building 2 has not been sent for analysis to ensure that it is safe to drink.				Visual inspection and documents review.				(18 Oct 05) Factory submits a copy of letter, dated 30 Sept 05, from *** the filtered drinking water company, which certifies that filter is replaced with new one every quarter, and drinking water at [factory] is drinkable and safe.	(9 Jan 06) Based on document review, *** provides the filter cleaning service every quarter. (20 Jan 06) Quarterly filtered replacement document verified. The latest replacement was done in Jan 06.	Document review, management interview	Completed		
Other: Legal Compliance	The Notification of the Ministry of Labor and Social Welfare RE. Occupational Safety of Employees, Chapter 2, Clause 10		Not all supervisors are trained as Safety Officers; Only 4 supervisors have been trained and 6 supervisors have not been trained as per the legal requirement.				Documents review and Safety officers interview.				(4 Jan 06) Factory submits health and safety training plan for supervisors as follows: 24-25 Jan (2), 23-24 Feb (1), 16-17 Mar (1) and 28-29 Mar (1).	(7 Apr 06) Production supervisors were trained as safety officers (supervisory level) according to the plan. Certificates verified.	Document review and management interview	Completed		
Fire Safety Health and Safety Legal Compliance	The Labor Protection Act of 1998, Chapter 8 and Section 107.	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 facility did not provide annual health check up for the workers in year 2005.				Documents reviewed and Safety officers interview.				(4 Jan 06) Factory reports that they will arrange annual health check up on 5 January 06.	(7 Apr 06) Factory arranged annual health check-up on 5 Jan 06 for 198 workers as planned. Result of health check-up is posted on information board.	Document review management and worker interview, and visual inspection	Completed		
Fire Safety Health and Safety Legal Compliance	Notification of the Ministry of Interior Re: Working Safety in Respect to Environmental Condition ; Chapter 1-3	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	There is no report of workplace environment evaluation that measures dust, noise, lighting, and heating since the facility has not commissioned such evaluation.				Documents review and Safety officers interview.				(1 Nov 05) Factory submits a copy of letter requesting a workplace environment evaluation from the local Safety Bureau.	(20 Jan 06) The environment assessment by concerned authority conducted on 12 Jan 06. (7 Apr 06) As determined from assessment result, factory's workplace conditions (light, noise, dust and heat) pass the standards.	Document review and management interview	Completed		
Fire Safety Health and Safety Legal Compliance	Nil	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	Building 1: The Cutting and Sample section appears to be unsafe since there is evidence of subsidence at the ground floor of the building that needs to be inspected by a civil engineer to ensure it is still in safe working condition.				Documents review and Safety officers interview.				(24 Nov 05) Factory submits a copy of letter from an authorized civil engineer, Mr *** ***, which explains that the ground floor is considered as "slab on ground". Therefore such subsidence will not affect the building's structure, and the present condition is safe, the letter says.	(13 Dec 05) Based on visual inspection, factory has paved cement at the subsidence area on the ground floor. (7 Apr 06) Workplace condition remain the same as December finding.	Document review, management interview and visual inspection	Completed		
<b>7. Freedom of Association and Collective Bargaining</b>																
Employers will recognize and respect the right of employees to freedom of association and collective bargaining																
<b>8. Wages and Benefits</b>																

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				Evidence of Non-compliance (un corroborated)	If not corroborated explain why	Sources/Documentation	Notable Features implemented by Factory Management or Company								Company Follow Up	Documentation
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																
Deduction for Services		Deductions for services to employees will not exceed the cost of the service to the employer. If questioned, employers will demonstrate the reasonableness of these charges		Some workers stated that their wages were deducted by 15 baht for money transfer to their bank accounts. However, review of pay slips and payroll ledgers and interview with personnel officer do not reveal evidence that money transfer fee is deducted from the workers' wages.		Payroll registers and pay slips review. Workers and personnel officer interview.		Factory must ensure wage deduction is in accordance with the Labor law, article 76 on authorized deduction.	30/11/2005	(24 Nov 05) Factory submits a written memo declaring that from 1 November onwards, factory will hold accountability of ATM transfer fees for all workers.	(13 Dec 05) Factory holds accountability of bank transfer fees. Reebok monitor verified receipt of bank transfer fees for workers' salary worth 3,000 Baht/due payment effective 18 Nov 05. (7 Apr 06) Receipt of bank transfer Jan-Mar 06 verified. Workers reported no deduction of bank transfer fees since Nov 05. Factory ensures consistent implementation.	(13 Dec 05) Document review and management interview. (7 Apr 06) Document review, worker interviews				
Timely Payment	The Labor Protection Act of 1998, Chapter 5 and Section 54:	All compensation shall be paid in a timely manner.	Older version contracts of some workers in sewing sections A&C specify piece-rate pay. However, a review of payroll ledgers and piece-rate data sheets reveals that for the last 2-3 days of the payroll period, rather than paying by piece rate for every day of the period the factory paid the daily minimum wage rate instead. Any pay that the workers should have received by piece rate over the paid minimum wage rate was actually paid during the next pay period. Although the workers did receive their full payment for the pieces that they produced, they were actually not paid in full by the pay period in which they worked.			Piece rate data sheets and payroll registers review. Workers and personnel officer interview.				(24 Nov 05) Factory submits a written memo declaring workers are daily-wage workers. Factory management reported that they ensure daily minimum wage be paid on time. However, the "incentives" that occur from the work process for the last 2-3 days of wage calculation are paid in the next payment to ensure accurate coupon counting.	(13 Dec 05) Factory renewed employment contract of a few old workers from piece rate into daily wage employment. Pending the Labor Ministry's ruling on piece-rate or daily wage industrial practice. (7 Mar 06) In an official letter from Labor Ministry, dated 9 Feb 06, the efficiency allowance paid to boost worker morale is not considered as wage. Therefore, it implies factory pays accurate individual wage based on each due payment. Overall, [factory] workers are guaranteed daily minimum wage plus applicable overtime premiums for all hours worked. Human resource/wage staff are responsible for calculating wages for workers on a daily basis.	Employment contract, Labor Ministry letter, management interview	Completed			
Legal Compliance for Holiday/Leave	The Labor Protection Act of 1998, Chapter 5 and Section 60:	Workers will be paid for holidays and leave as required by law	As contracts of some workers in sewing sections A&C specify payment by piece rate, the law stipulates that they be compensated during office holiday and allowable leave taken by using the average piece rate calculated from the last payroll period prior to such holiday or leave. A review of payroll record reveals that they were paid the minimum wage rate instead.			Payroll ledgers review, attendance and worker contract records review. Workers and personnel officer interview. Employees' contracts review.				(24 Nov 05) Factory submits a written memo declaring workers are daily-wage workers.	(13 Dec 05) Factory renewed employment contract of a few old workers from piece rate into daily wage employment. The daily wage system includes compensation for public holidays, annual leave taken, and sick leave in accordance with the wage base of the individual worker. (7 Mar 06) In an official ruling letter from Labor Ministry, dated 9 Feb 06, the efficiency allowance paid to boost workers' morale is not considered as wage. Therefore, it implies this allowance need not to be counted in the calculation of paid annual and sick leaves. The FLA, Reebok monitor, and Reebok headquarters maintain a copy of the Ministry's ruling letter.	Employment contract, Labor Ministry letter, management interview	Completed			
Legal Compliance for holiday/leave	The Labor Protection Act of 1998, Chapter 5 and Section 60:	Workers will be paid for holidays and leave as required by law		All new employees' contracts specify payment by daily minimum wage rate. However, a review of payroll system and production-based figures reveals that the new workers in sewing sections A&C are compensated by piece rate.	New employees' contracts are contrary to payroll leader records and our observation which show that they are compensated by piece rate.	Payroll ledger leave records, attendance and worker contract records review. Workers and personnel officer interview. Employees' contracts review.				(24 Nov 05) Factory submits a written memo declaring workers are daily-wage workers.	(13 Dec 05) Factory employment contracts define daily-wage system as terms of employment conditions, pending the Labor Ministry's legal interpretation of whether or not factory's existing system is considered as piece-rate or daily wage, which will have implication on legal benefits. (7 Mar 06) In an official letter from the Labor Ministry, dated 9 Feb 06, the efficiency allowance paid to boost workers' morale incentives are not considered as wages. Therefore, it implies [factory]'s daily-wage plus incentive allowance is not against the law. Overall, [factory] workers are guaranteed daily minimum wage plus applicable overtime premiums for all hours worked. Human resource/wage staff are responsible for calculating wages for workers on a daily basis.	Employment contract, Labor Ministry letter, management interview	Completed			
Legal Compliance for holiday/leave	The Labor Protection Act of 1998, Chapter 5 and Section 62:	Workers will be paid for holidays and leave as required by law	The attendance and payroll records reveal that the workers worked on April 10, 05 (Sunday). The reason provided was that they wished to have long holiday during traditional Song Kran festival (April 13-15). The workers wished to take one more day off on April 16 (Saturday) and worked on April 10 to compensate for April 16. As such, the workers received a long holiday during April 13-17, 2005. However, they were only compensated a normal rate on April 10 whereas the law requires that payment for working on such holiday be made at not less than two times normal rate.			Payroll ledger leave records and attendance records review. Workers and personnel officer interview.					(18 Oct 05) Reebok monitor convened a training for all apparel factories in Thailand on July 5 to discuss options to avoid the similar circumstances (normal pay for Sunday work) in the future. (13 Dec 05) There's no evidence of switch of Sunday work and pay normal rate happens again after the Reebok's July training.	Training materials kept in Reebok monitor's training files. (13 Dec 05) Payroll and working hours record review. Management and worker interviews.	Completed			

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					Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentation							Notable Features implemented by Factory Management or Company	Company Follow Up
Payment of Legal Benefits	The Labor Protection Act of 1998, Chapter 2 and Section 32:	Employers will provide all legally mandated benefits to all eligible workers	Interviews with the workers disclose that they are required to submit a certificate from a first-class physician or an official medical establishment for sick leaves taken in all cases. Failure to do so will indicate their absence from work and will be entitled to no pay. The review of sick leave data sheets found that the requirement is enforced and such certificate is actually collected. Nevertheless, the law requires only that such certificate needs to be submitted only for sick leave of three days or more.				Payroll ledgers leave records, attendance records review. Workers and personnel officer interview.		30/11/2005	(24 Nov 05) Factory submits a copy of internal memo, dated 10 Nov 04, in which it commits to pay for sick leave, and requires a medical certificate only when sick leave is taken for more than 3 days.	(9 Jan 06) Factory compensates for sick leave although medical certificate is not submitted. Factory also compensates for actual 1.5-2 days of sick leaves although the medical certificates indicate authorized one-day leave.	Leave records review, management interview	Completed		
Payment of Legal Benefits	The Labor Protection Act of 1998, Chapter 5 and Section 59:	Employers will provide all legally mandated benefits to all eligible workers	A review of compensation for maternity leave finds that the workers are not paid during maternity leave. This is in violation of legal requirement that specifies that an employee shall be compensated during her maternity leave.				Workers and personnel officer interview. Payroll records review.			(24 Nov 05) Factory submits a copy of an internal memo committing to compensate material leave benefits (half of 90 days entitlement) during maternity leave. In the past, the factory compensated only when workers returned from the leave.	(20 Jan 06) Based on document review and management interview, no evidence of compensation under the new internal rule yet, as there's no worker on maternity leave to date. The policy is posted on notice board. (7 Apr 06) No evidence of implementation yet because there's no worker on maternity leave to date.	Review of policy, list of pregnant workers, visual inspection	On-going	In 2005 Reebok created and delivered a remediation plan to this factory in order to address the issues found during the original IEM visit. Yet, in 2006 this facility was deactivated by Reebok's sourcing units due to production and human rights related issues. As a result, Reebok's Human Rights Team was unable to ensure a successful completion of the remediation plan.	
<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	The Labor Protection Act of 1998, Chapter 2 and Section 25:	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 workers' overtime works exceed 12 hours per week. A review of attendance records during the previous 12 months finds that during Sept. '04, Oct. '04, Nov. '04, Dec. '04, Jan. '05, Feb. '05, Apr. '05 and May '05, the overtime figures are 13-25 hours/week/person. Moreover, Sunday work is found on Apr. 10, '05 and May 8, '05, meaning that the workers are not given 1 day rest in a seven-day working period.				Attendance records review and workers interview.			(13 Dec 05) Factory commits to inform both PC's agent and Reebok if excessive hours are needed, and ensure voluntary overtime.	(13 Dec 05) Based on review of factory's working hours records, there were excessive working hours in some extraordinary periods, such as May, Sept, Oct and Nov 05. (20 Jan 06) Factory follows its commitment by informing PC agent and Reebok of overtime work needed to fulfill Reebok's order during week 9-13 January 06 (about 72 hours/week were needed). Worker discussion demonstrated that they can exercise their rights to refuse overtime. (7 Apr 06) The same as above. Factory communicated need of overtime hours during Songkran festivals (April). Workers confirmed no Sunday work.	May-Nov 05 working hours records review, management and worker interview	Completed		
Legal Compliance with Protected Workers	The Labor Protection Act of 1998, Chapter 2 and Section 27:	The factory will comply with all applicable laws governing work hours, including those regulating or limiting the nature and volume of work performed by women or workers under the age of 18	Some workers (particularly in sewing sections A and C) sometimes worked overtime continuously for 6-8.5 hours (from 17.30 to 23.30 and to 02.00). They were not given the required 1-hour rest period after working for five consecutive hours.				Attendance records review. Workers and personnel officer interview.			(13 Dec 05) Factory agreed to control OT not to exceed 5 hours/day, and ensure an hour-rest break if there are more than five consecutive OT hours.	(4 Jan 06) Factory reports to have conveyed the new policy of requiring the rest break or perform OT work not to exceed 5 hours in extraordinary circumstances. (20 Jan 06, 7 Apr 06) Based on review of working hours records and Jan-Mar 06 payrolls, and worker interviews, OT hours were not over 5 hours in excessive period, or usually finished at 22:30.	Review of Jan-Mar 06 payrolls, working hours records, management and worker interviews.	Completed		
Legal Compliance with Protected Workers	Nil	The factory will comply with all applicable laws governing work hours, including those regulating or limiting the nature and volume of work performed by women or workers under the age of 18					The attendance and overtime sheets data is consistent with interviews with the workers and management.	Attendance records and overtime sheets review. Workers interview.		(4 Jan 05) Factory reports to have assigned personnel staff to monitor workers swiping in and out to ensure workers take proper rest break before OT work.	(6 Feb 06) Factory submits a meeting minutes with worker representatives on 30 Jan 06, which stressed a requirement of proper rest before overtime starts at 17:30. (20 Jan 06) Workers reported they took proper rest break and would not start OT work before 17:30. However, they might swipe in the card before OT time.	January meeting minutes, swiping cards, worker interviews	Completed		
<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.															

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					Evidence of Non-compliance (un corroborated)	If not corroborated explain why	Sources/Documentation	Notable Features implemented by Factory Management or Company							Company Follow Up	Documentation
OT Compensation	The Labor Protection Act of 1988, Chapter 5 and Section 60.	The factory shall comply with applicable law for premium rates for overtime compensation	Sewing workers in sections A & C are compensated by piece rate. Therefore, the facility is required to pay for their overtime by one and a half times the normal piece rate. However, the workers are paid only the same piece rate during overtime.			Payroll registers, piece rate sheets review. Workers and personnel officer interview.				(24 Nov 05) Factory submits a written memo declaring workers are daily-wage workers.	(13 Dec 05) Factory employment contracts define daily-wage system as terms of employment conditions. Pending the Labor Ministry's legal interpretation of whether or not factory's existing system is considered as piece-rate or daily wage, which will have implication on legal benefits. (7 Mar 06) In an official letter from Labor Ministry, dated 9 Feb 06, the efficiency allowance paid to boost workers' morale is not considered as wage. Therefore, it implies [factory's] daily-wage plus incentive allowance is not against the law. Overall, [factory] workers are guaranteed daily minimum wage plus applicable OT premiums for all hours worked. Human resource/wage staff are responsible for calculating wages for workers on a daily basis.	Employment contract, Labor Ministry letter, management interview	Completed			
<b>Miscellaneous</b>																
Unauthorized Subcontracting	Nil	Nil	Nil		The embroidery work is subcontracted to ***, which locates at ***. Management states that the subcontractor has been approved by PC. However, there is no evidence of such approval.	No evidence of approval of the subcontractor can be found.	Management interview and documents review.				(13 Dec 05) [Another factory] has been active in Reebok Human Rights Tracking System since 2003 after [Reebok agent], disclosed it to Reebok. [subcontractor] passed Reebok threshold standards.	Reebok Human Rights Tracking System	Completed			