

*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	400074489E
IEM	Kenan Institute Asia
Date(s) in facility	21-22 December 2006
PC(s)	Asics Corp.
Number of workers	280
Product(s)	Socks
Production processes	Knitting, Linking, Sewing, Embroidering, Setting, Inspection and

IEM Findings														Remediation			Status		Updates (Cite Date of Follow up)		Third-Party Verification		Company Verification Follow up	
FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Internal audit findings (Optional)	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (May 25, 2007)	Documentation	Completed; Pending; On-going	Company Follow up	Documentation	External Verification (Date)	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate)	Documentation			
<b>1. Code Awareness</b>																								
Code posting/information		FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.		Most of the workers interviewed do not aware the factory's standard and brand's code of conduct even the factory provided them the workplace's standard briefly upon the orientation as well as the local language posting of Brand's CoC has been posted at the accessible above.			Workers and Management interview		Factory will have a meeting with section chiefs to ensure that all workers in each section will aware [of] CoC. PC required factory to provide continuous training to its workers and section chiefs on CoC non-violence.		15-Mar	PC is under preparation of CoC poster written in local language. Factory will have a quiz to confirm workers' understanding of CoC after capacity building.		On-going										
<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																								
<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																								
<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 or 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		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 religion, nationality and military status which may lead to discriminating practices.		We have found in the application form that there are questions about religion, nationality and military status. However, the workers interviewed said these questions on application are not affected to their hiring process, just for HR database.	Application form reviews and workers interview		Factory shall remove discriminatory questions about religion from their application form, but according to local law, there is limitation for hiring except local citizens, the nationality question is allowed to keep on the application form. PC will continue to ensure the factory that discrimination practice never been happened in the recruitment process.			Application form for every single workers are classified. Discriminating practices never been happened.	Factory have removed the clause for religious discrimination).		Completed									
Sex discrimination		There shall be no differences in compensation and benefits attributable to gender.		Male daily worker[s] will be promoted to monthly worker[s] after working for one and a half years, but two years period [required] for female[s].			Management and workers interview; payroll records review		PC required factory management to have a written policy stating that promotions are based on the individual performance of the job then inform the policy of all workers.			It depends on working ability of workers.												

FLA Code/ Compliance issue	Country/Legal Reference	FLA Benchmark	REM Findings						Remediation					[Status]	Updates (Cite Date of Follow up)	Third-Party Verification	Company Verification Follow up	
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentatio n used for corroborating	Notable Features implemented by Factory Management or Company	PC Internal audit findings (Optional)	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (May 25, 2007)					Documentation
<b>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																		
Fire Safety Health and Safety legal compliance	The Notification of the Ministry of Interior Re: Work Safety Connected with Boiler, Clause 20 which states that "Provide and emergency lighting system that shines towards the exits and gauges, as well as control panels, so that they are clearly visible in the event of a power failure." And The Notification of Ministry of Industrial No. 2 (B.E. 2519) Clause 8: Factory shall provide the lighting system enough especially at the fire exit	Employer will comply with applicable health and safety laws and regulations. In any case where laws and codes of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits.	No emergency lightings placed in boiler room, electric control room, [or] stairwell at the office.			Visual inspection		Factory will place Emergency lighting at suggested location.	15-Mar		Emergency lights are placed in an appropriate location.	Completed						
Evacuation Procedure: 1	The Notification of Ministry of Interior Re: Working safety Relating to Protection of Fire for Employees, Chapter 2 Section 13. The employer shall provide fire escape routes which is not obstructed from the spot the employees are working to the spot of 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 evacuation procedures.	It was observed the carton boxes obstructed the emergency exits and aisle during the working hours.			Visual inspection		Factory has [to] explain to all employees the importance of all exits and aisles should be free of obstruction and unblocked.	22-Feb			Completed						
Evacuation Procedure: 2	The Notification of Ministry of Interior Fire Safety Chapter Section 11: The door leading to fire escape route shall have the following: (1) Install at the spot where is clearly seen and without obstruction. (2) Being the door which can be opened both ways and self closing. (3) Shall not be sliding door, rolled up door and revolving door. (4) The width of the stair-case door shall be not less than the width of the stair. (5) The door to the stair shall not be opened at the stair and shall have rest of not less than the width of the door at every spot the door is opened. The door open to outside of the building shall be the type which is open outside. It shall not be closed, tied or chained from outside the building during the time the employees are working.	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	It was observed that the emergency exit in raw material storage is closed and locked during the working hour; thus, it is not easy to escape in case emergency occurred.			Visual inspection		Factory will keep the door open during the working hours.	22-Feb			Completed						
Chemical Management for Pregnant women and juvenile workers	The Notification of Department of Labor Protection and Welfare Re: Rules and Procedures of Transportation, storage, moving and restricting packages, container or wrapper of harmful chemical, Clause 3.	To prevent unsafe exposure to hazardous chemicals, appropriate accommodations shall be made for pregnant women and minors as required by applicable laws in a manner that does not unreasonably disadvantage employees.	No MSDS or any warning sign posted in chemical storage area.			Visual inspection		Warning sign will be post[ed] in the chemical storage areas.	22-Feb			Completed						
Record Maintenance	The Notification of Ministry of Labor and Social Welfare Re: Working Safety of employees, clause 16 which stated that "The safety office at professional level shall compile, analyze data and statistics and prepare report including recommendation relating to injury, illness or disturbance arising out of employment of the employees."	All safety and accident reports shall be maintained for at least one year, or longer if required by law.	No accident investigation record is kept.			Management interviews and documents review		Accident investigation report will establish.	15-Mar			Completed						
Worker Participation: 1	The Ministry of Labor and Social Welfare Re: Working safety of employees Clause 14 which stated that "The employer having more than fifty employees upwards, at the place of business operation, shall appoint at least one safety officer at professional level, for full time work, within a period of one hundred and eighty days from the date this Notification comes into force or within one hundred and eighty days from the date the employer has more than fifty employees upwards."	Workers should be involved in planning for safety, including through worker safety committees.	Recently, there is no safety officer at professional level available in the factory.			Management interviews and Visual inspection		Factory assigned new safety officer and let him to attend the seminar organized by local authority for capacity building. PC will require the factory to hold monthly safety committee.			Factory has frequently visited and trained by professional safety officer from government.	Completed						

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	REM Findings						Remediation					[Status]	Updates (Cite Date of Follow up)	Third-Party Verification	Company Verification Follow up
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Worker Participation: 2	The Notification of Ministry of Labor and Social Welfare, the Safety, Occupational Sanitation and Working Environment section 15 which stated that "An employer shall meet with the committee of safety, occupational sanitation and working environment at least once a month."	Workers should be involved in planning for safety, including through worker safety committees.	There is no meeting record for October and November 2006 available for review to demonstrate that a regular meeting of the Occupational Health and Safety Committee was conducted at least once a month as required by law. The last meeting was held in September 14, 2006.					Management interviews and documents review.		Factory shall keep the minutes of monthly safety committee with the attendee record. Factory shall keep the record how do they response to the safety committee request and be sure to inform it to all	15-Mar		Completed				
Other: 1	Notification of the Ministry of Interior Re: Working Safety in Respect to Environmental Condition, Chapter 1-3.		The report of workplace environment evaluation that measures dust, noise, lighting, and heating is expired since the latest measurement was conducted in November 17, 2006.					Documents review and management interviews		Environment evaluation has been conducted on 24-Jan-2007.		Environment evaluation has been conducted on 24-Jan-2007.	Completed				
Other: 2	The Notification of Ministry of Interior Re: Working Safety relating to protection and prevention of fire; Chapter 5 Flammable Material and Explosive, Clause: 23 (B) There shall be plaque "Explosive No Smoking". "Flammable substance. No Smoking as the case may be, written in red the size not less than twenty centimeters on white background, clearly to be seen at the said storage room and person not concerned shall be prohibited from entry.		Area keeping the flammable material (Diesel Oil and Lubricant Oil) has no warning sign posted such as "no smoking," [or] "flammable substance."					Visual inspection		Warning sign will be posted at proper location in local language.	22-Feb		Completed				
<b>7. Freedom of Association and Collective Bargaining</b>																	
Employees will recognize and respect the right of employees to freedom of association and collective bargaining																	
<b>8. Wages and Benefits</b>																	
Employees recognize that wages are essential to meeting employees' basic needs. Employees 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 for holiday/leave	The Labor Protection Act, B.E.2541, Section 60 which stated that "...whereas an employee receives wages calculated on piece rate basis, the employer shall pay wages for holiday or leave equivalent to the average wages of working day received by the employee during the period of payment before such holiday or leave."	Workers will be paid for holidays and leave as required by law.	The worker contract is mentioned that the worker will be paid at the daily rate. A payroll system shows that sewing and linking workers are compensated on a daily minimum wage plus other income. A review of piece-rate data sheets reveal that this type of compensation is based on piece-rate, therefore, the sewing employees are not received wages for holiday or leave equivalent to the average wages of working day received by the employee during the period of payment before such holiday or leave as the legal requirements.					Management and workers interview, Payroll records, and piece-rate data sheets review.		Factory replied they've paid properly according to the internal rules. PC have not checked and will keep on touch with this issue with factory to clarify their evidences.		Linking and Sewing section are paid by incentive system.	Linking section wage is composed by fixed salary (hourly rate) and piece-rate. Fixed salary exceeds minimum wage completely. When worker take(s) paid holiday/leave, it is calculated from fixed salary. When worker works on holiday, overtime compensation is paid based on piece-rate they earn on that day.	Completed			
<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.	Some workers worked overtime in excess of 12 hours per week in Feb, Apr, May, Jul, Aug, Sep, Oct and Nov 2006. The maximum overtime working hours were 22 hours per week as following: - In Feb '06, 2 out of 25 selected workers worked OT 14 hours/week. - In Apr '06, 2 out of 25 selected workers worked OT 13.5-14 hours/week. - In May '06, 3 out of 25 selected workers worked OT 14-15 hours/week. - In Jul '06, 6 out of 25 selected workers worked OT 14-21 hours/week. - In Aug '06, 9 out of 25 selected workers worked OT 16-22 hours/week. - In Sep '06, 12 out of 25 selected workers worked OT 14-20 hours/week. - In Oct '06, 1 out of 25 selected worker worked OT 12.5 hours/week. - In Nov '06, 1 out of 25 selected worker worked OT 12.5 hours/week.					Workers interviewed and time cards reviewed		Factory recognized the existence of overtime worker and moved to remediate to keep the working hours to be comply with the local law. Factory shall establish the checking system for working hours.		This has been controlled. No excess OT since Dec-06	Factory have implement weekly 60 hour work for most of the worker. Factory has recorded those workers who work excess overtime to follow up their working time.	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.																	
<b>Miscellaneous</b>																	