

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

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

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

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

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

- An exhaustive assessment of factory conditions

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

- A pass or fail evaluation

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

- A one-time event

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

**Note on Language**

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

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

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

**Instructions for Printing**

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

<b>FLA Audit Profile</b>		
Country	El Salvador	
Factory name	12022264B	12022264BV
IEM	ALGI	Independent External Verification audit conducted by GMIES
Date of audit	17-Jun-03	2-May-06
PC(s)	Reebok International, Ltd. and VF	Reebok International, Ltd. and VF
Number of workers	434	
Product(s)	Women's apparel	
Production processes	Cutting, sewing, trimming, packing	

FLA Code/ Compliance Issue	Benchmark or legal reference	Findings Monitor's Findings	Documentation	Best Practice	PC Internal audit findings	Target completion date/ partial audit from Reebok	PC remediation plan	Target Completion Date	Remediation			Updates		Independent External Verification May 2006				
									Factory Response	Completion Date	Documentation	PC Follow-Up & Verification	Company Follow up (July 2004)	Documentation	Monitor Finding	Documentation	Status (Completed, pending)	
<b>1. Code Awareness</b>																		
<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 missing any physical, sexual, psychological or verbal harassment of abuse.																		
<b>5. Non-discrimination</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.																		
<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																		
Evacuation Procedure	In compliance with FLA Benchmarks V.B. Health and 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.	Yellow lines demarcating main aisles leading to exits and arrows marking emergency evacuation routes are missing in parts of the factory floor.	Health and Safety assessment, observations.				(a) Aisles intended to be used for egress of employees during facility evacuation should be clearly marked. Factory must indicate exit routes on walls, columns and floors with photoluminescent safety materials such as paint, panels and strips. A series of photoluminescent arrows running along the floor is a simple, cost-effective way of communicating the workers the way to safety in a smoke-filled factory. Please submit to Reebok pictures of the facility showing all exit routes have been clearly marked. (b) Aisles should be kept clear of obstructions on an ongoing basis and, as a matter of follow-up and education, the Health and Safety committee should check aisles and document the results as part of their responsibilities. Please develop a plan w/ dates that would assure floor markings are being maintained in good condition. Please submit to Reebok a copy of this plan.	8-Aug-03	(a) Emergency evacuation routes have now been marked as indicated, and (b) a plan is being developed to ensure aisles remain clear of obstructions on an ongoing basis.	17-Jun-03	Pictures have been submitted as verification, and are maintained in the company's internal files.	Reebok's and VF's monitor visited the factory, and has verified during the inspection that emergency evacuation routes are now marked as of the date of the inspection. Reebok and VF will continue to work with the factory and the factory's Health & Safety Committee to determine ongoing compliance with fire safety standards.			The aisles at the factory are clear of obstructions on an ongoing basis. Emergency evacuation routes have now been marked with arrows. However, it is necessary to mark the aisles at the whole plant with an adequate paint and not only with tape because this situation tends to confuse the workers at the moment that they are trying to find the evacuation aisles.	Visual observation		
Fire Safety/Electrical/Ventilation	FLA Benchmark. All ventilation, plumbing, electrical and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility.	Three fuse boxes were found to be missing fuses (spaces left open unguarded). The fuses from two of these boxes felt warmer than usual, this was brought to the immediate attention of factory mechanic.	Health and Safety assessment, observations.				(a) Check all fuse boxes for missing insulators. Factory must replace the missing fuses from the fuse boxes immediately, and blanks should be inserted as open spaces are found. Fuses feeling hot to the touch should be reported to the mechanical staff for inspection/replacement. It is also recommended that the fuses be labeled in the local language. (b) Factory should also assign a qualified individual in the factory to routinely inspect electrical panels to make sure they are in proper order and not missing fuses. Fuse boxes may be checked and documented, as part of the Health and Safety committee meetings. (c) Please submit to Reebok pictures of all fuse boxes indicating no missing fuses, and inform us in writing which individual at the factory will be made responsible for their routine inspection.	8-Aug-03	Factory has replaced the missing fuses from the fuse boxes. Factory has also assigned a qualified individual in the factory to routinely inspect electrical panels to make sure they are in proper order and not missing fuses.	19-Jun-03	Pictures have been submitted as verification, and are maintained in the company's internal files.	Reebok's and VF's monitor visited the factory, and has verified during the inspection that missing fuses have been replaced as of the date of the inspection. Reebok and VF will continue to work with the factory and the factory Health & Safety Committee to determine ongoing compliance with fire safety standards.			Fuses boxes are in good conditions and the temperature on them is normal.	Visual observation		
PPE	FLA Benchmark. All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	The eye guard on some over-lock machines had been removed and most workers using over-lock machines do not use the guard	Health and safety assessment				(a) Factory must install safety devices (such as a fiber glass shield) in all over-lock machines which currently do not have one, or which currently do not have one in a working condition. Workers should also be instructed to maintain the shields down moving forward. (b) The factory must provide all production workers instruction in general factory safety and in the safe operation of their machines. Training should also educate workers on the proper use of the mechanical safety devices and the reasons for their use. Please submit to Reebok (i) documentation clearly demonstrating that all over-lock machines have installed safety devices, and (ii) inform Reebok how workers have been trained on their use.	8-Aug-03	(a) Factory has inspected the machines and replaced any missing safety devices. (b) Factory is in the process of providing all production workers instruction in general factory safety and in the safe operation of their machines. (c) Factory is in the process of developing a training plan for training workers on the reasons and use of safety devices.		Pictures have been submitted as verification, and are maintained in the company's internal files.	Reebok's and VF's monitor visited the factory, and has verified during the inspection that missing safety devices have been installed. Reebok and VF will continue to work with the factory to obtain the necessary commitments surrounding worker training, and to determine ongoing compliance with operational safety standards.	July 15, 2004. During physical inspection, it was noted that machine safety devices were not installed. In addition worker and supervisor training was conducted to instruct workers of the need to use machine safety devices. Training conducted May 22, 2004			In order to protect the workers, all the machines at the factory have now its eye guard. However, the operators seats at the production area do not have a back support. Also, the people who work on a standing position do not have an anti-fatigue band. In these cases it is suggested to provide the workers with an anti-fatigue band and with a proper seat in order to avoid possible circulatory problems.	Visual observation	
Chemical Management	FLA Bench Mark. Workers should receive training on proper use and proper protection of chemical and hazardous materials they use.	MSDS sheet for two types of solvents found for the use of spot cleaning were not posted at their work stations.	Health and safety assessment				(a) Factory must maintain a current list of all Material Safety Data Sheets for all chemicals used in the factory. MSDS information (in local language - Spanish) should be made available to all employees in a readily accessible location. For example, sheets should be posted in the local language of the workers near where they are being used, such as in the spot cleaning area. An employee should be designated as responsible for maintaining the master book and for distributing copies as necessary. (b) For employees using chemicals, documented education of the chemical risks should take place on an ongoing basis. A sign at all appropriate workstations, reminding the employee to use the safety gear, is also recommended.	8-Aug-03	Material Safety Data Sheets have been ordered, and are pending		Copies of MSDS have been requested from the factory once available, as well as a copy of a training program for workers on chemical safety	Reebok's and VF's monitor will work with the factory to obtain the necessary MSDS forms, and to determine ongoing compliance with chemical safety standards. Moreover, VF and Reebok will work with the factory on worker training needs regarding chemical safety.	July 15, 2004. Pertinent MSDS is now posted in areas where cleaning agent is being used/stored (see refer to attached pictures DSC01411, DSC01414 and DSC01415). Worker chemical safety training conducted on Jun 12, 2004. A plan for continuous worker chemical training program has been developed as well.			There is no more use of chemicals because the department of doesn't exist anymore.	Visual observation and interview to the management	
PPE	In compliance with FLA Benchmarks V.B. Health and Safety. 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.	Workers in garment cleaning station need to wear protective equipment such as masks, gloves, etc.	Observations, interviews				(a) Factory must provide workers in the garment cleaning station with personal protective equipment (PPE) of the correct type. Factory must post a sign near the cleaning station in the local language of the workers, stating PPE is required. Please submit to Reebok pictures of this posted notice. (b) Factory safety begins with proper planning and worker training. Factory should implement a factory safety plan which outlines the following (i) what safety devices and PPE are needed within the factory; (ii) disciplinary measures of workers for failing to use safety equipment, and for supervisors for failing to enforce the use of safety equipment; (iii) routine inspections of safety devices on all machines; and (iv) a training program for workers on the reasons for the use of machine safety devices and PPE, and how to properly use them. Please submit to Reebok a copy of this developed policy.	8-Aug-03	(a) Workers have the PPE, but workers like to not use the masks. Management is now strictly enforcing the practice of PPE.		Copies of the factory's PPE policies, and a training program for workers, have been requested from the factory.	A program should be developed to educate mechanics, supervisors, and operators as to the benefits of utilizing available guards. Mechanics should not leave a machine without ensuring that useable guards are in place. Supervision can reinforce this with appropriate management, comments, warnings to repeat offenders, etc. The Health and Safety committee can assist by making educational posters and helping with periodic plant inspections. Through discussion with operators, other options may surface: ie. using goggles as an alternative to the eyeshield on the machine. Please develop a plan for any training needs for workers on the importance of safety devices.	July 15, 2004. Factory has begun a PPE DCS01412 and DCS01415 safety devices and newly developed PPE policy			The number of workers using masks at the production area is low. It is necessary to use a mask that fits the necessities of the workers (M E12) and that it is certified by the NIOSH. The noise level at the factory, in general, is adequate. However, at the ironing area, there are some machines that generates 90 decibels, which is not an adequate noise level. It is necessary that the personnel who works at this area should use ear protectors to avoid later ear injuries.	Visual observation	
Fire Safety	In compliance with FLA Benchmarks V.B. Health and 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.	Fire evacuation drills have not been conducted since June 19, 2001. Seventeen employees, however were trained in fire fighting and use of the extinguishers on March 22, 2003	Health and Safety assessment, interviews.				Report Section 786 states in auditor's own findings that evacuation drill was done this year, March 28, 2003. Please note that four fire drills are required under Reebok's standards (one every year, and ongoing compliance with fire safety standards) is expected.	8-Aug-03		28-Mar-03	Documentation of the fire drill has been submitted as verification, and are maintained in the company's internal files.	Reebok's and VF's monitor visited the factory and reviewed submitted documentation, and has verified that a fire drill has been conducted by the factory in March 2003. Reebok and VF will continue to monitor the factory's fire safety program, to determine whether additional fire drills are conducted as required.			This year the workers have not participated at any evacuation procedures. However, last year were carried out 4 evacuation procedures. On the other hand, the factory has a written policy about evacuation procedures and also has provided the workers courses about fire control. Also, the fire extinguishers are in good conditions, adequately placed and each one of them has its own instructions.	GMES corroborated this situation through reviewing the documentation provided by the factory and through visual observation.		
Lighting	In compliance with FLA Benchmarks V.B. Health and Safety. All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility.	The illumination in the mezzanine level of the factory is poor. While most of the mezzanine level is used for storage, there were workers observed on this level. The lighting needs to be improved to afford adequate protection to workers health.	Health and safety assessment, observations.				Check illumination in all areas of the factory. Recommended lighting levels are as follows: Emergency egress - 75 lux, Production line - 350 lux, Inspection - 1000 lux, General warehouse - 350 lux, Clerical work - 750 lux, Corridor/ Stairs 200 lux.	Oct-03	Pending.		Documentation has been requested from the factory once completed.	Reebok and VF will continue to work with the factory, to determine proper illumination inside the factory.	July 15, 2004. Factory has added light fixtures to the mezzanine areas, therefore improving illumination to adequate levels (350 lux)			The illumination system is in good conditions. The luminosity levels are the adequate for each area of the plant.	GMES corroborated this situation through the adequate devices (lux meter)	

Findings																	Remediation					Updates			Independent External Verification, May 2006		
FLA Code/ Compliance issue	Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	PC Internal audit findings	target completion date/ partial audit from Reebok	PC remediation plan	Target Completion Date	Factory Response	Completion Date	Documentation	PC Follow-Up & Verification	Company Follow up (July 2004)	Documentation	Monitor Finding	Documentation	Status (Completed, pending)										
First Aid	In compliance with FLA Benchmarks V.B. Health and Safety: All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language.	No first aid procedures posted.	Observations, records, interviews				Report on page 21 states first aid procedures have been posted. No further action needed.								The first aid kits are adequately equipped and the members of the safe and healthy committee have received training about its use.	GMES corroborated this situation through observation and through interviews with the workers.											
Hygiene				The employee cafeteria serves varied meals daily at affordable prices and is maintained at high level of cleanliness and efficiency.											The dining area remains clean and in order. The cafeteria is attended by two subcontractor companies which have been approved by the Ministry of Health.	GMES corroborated this situation through reviewing the documentation provided by the factory and through visual observation.											
Clinic				Factory has a well maintained and staffed facility. The nurse is on duty from Noon to 4:00 pm Mon-Sat. A professional provides free Gynecology services.											The factory has a well maintained and staffed facility. The medicines are being delivered on time. It is recommended to cross the information between the most common sicknesses and the area where the patients work, in order to discover the origins of the most common illness. However the workers said that the clinic just receive seven workers per day which is insufficient for the plant. This was confirmed by the management of the factory who explained that the reason of that situation is they don't have the resources to pay for a full or part-time doctor. The doctor just has been hired for two hours per day. It is suggested to hire the doctor for more daily hours, that must be include in the written policy of the factory. During the audit there was not found any documentation or policy about the clinic and its services.	GMES corroborated this situation through visual observation and the interviews to the workers and the management of the factory.											
Ventilation/Electrical/facility maintenance		All ventilation, plumbing, electrical, and lighting systems shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility													In general, the ventilation at the factory is adequate. However at the ironing area, the average temperature, between 10 a.m. and 11 a.m., was 33° C. and a long exposure to this temperature can cause weakness.	GMES corroborated this through the appropriated device (thermometer).											
<b>F. Freedom of Association and Collective Bargaining</b>																											
Employers will recognize and respect the right of employees to freedom of association and collective bargaining																											
Prevention of free association	Chart 1, Article 204,205 of Salvadoran Labor Code. In accordance with FLA Benchmarks, V.B. Freedom of Association: Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment.	Factory management systematically discriminated against, other wise qualified, former workers of a closed factory known as *** solely because they were affiliated with the union of the closed factory.	(1) Interviews of union members from the closed *** factory who allegedly applied for and were denied employment at [Factory]. (2) Interviews of current employees who at one time worked at [closed Factory ***]. (3) Review of over 100 employment applications. (4) Interview of former hiring Manager Assistant who admitted asking workers if they worked in unionized section of former *** factory.	Factory has a well maintained and staffed facility. The nurse is on duty from Noon to 4:00 pm Mon-Sat. A professional provides free Gynecology services.	There have been allegations of factory refusing employment to union activists. It is recommended that the recruiting process should be enhanced. Factory agreed on adopting the following 5 points in their recruiting process for new (experienced) workers: <b>Plan of Action:</b> a) Extend to 5 days minimum probationary days during which workers can demonstrate minimum skills proficiency. b) Provide all prospective workers with the information about the skills test, including the minimum score necessary to be hired. c) Create and maintain a waiting list of prospective workers who pass the test, but who are not needed yet. d) Create a process that workers can use to challenge the test results, including the provision of a re-taking of the test if the prospective worker can reasonably demonstrate that they can meet the requirements.	3 July 2003	Prior to the AGLI audit, Reebok had worked with the factory to put in place a re-testing program for the workers cited as the victims of discrimination. As a result, the factory developed, implemented and documented credible management hiring practices, including hiring requisitions and objective testing of qualifications against these requisitions during the application process. Moreover, many of the former [closed Factory ***] workers were given the opportunity to apply for jobs at [Factory] using these newly developed hiring procedures. The ALGI report does not reference these actions taken by the factory. In follow-on correspondence with ALGI regarding these efforts, ALGI agreed that, based on these policies and procedures in place at the time of the audit, it would be fair to conclude that the findings of discriminatory practices from the audit were based on historical events and that the factory "...had changed their practice by the time we [ALGI] audited."								GMES verified that there is no evidence of discrimination to [former workers]. Also, there is not any evidence about some anti-union procedure from the management. The factory, according to their manual of human resources, hires workers based on their expertise and the effectiveness. The workers interviewed said that former workers from Taiwan were hired but after they retired voluntarily. A worker told to the GMES that her sister, who had worked for [closed Factory ***], could enter to work to [Factory] without any problem.	GMES corroborated this situation through interviews with the workers and the documents provided by the management.											
Victimization	Chart 1, Article 204,205 in accordance with FLA Benchmarks, V.B. Freedom of Association: Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment.	At least four former employees of [the] defunct factory known as *** were fired a few days after commencing employment, most likely because of their union affiliation.	(1) Interviews of union members from the closed *** factory who allegedly were fired by [Factory]. (2) Interviews of employees, currently at [Factory], who at one time worked at [closed Factory ***] and were questioned about [closed Factory ***] at the point of initial employment.	Factory has a well maintained and staffed facility. The nurse is on duty from Noon to 4:00 pm Mon-Sat. A professional provides free Gynecology services.	<b>Plan of action:</b> e) Provide the 4 [union] workers [from the closed Factory ***] the opportunity to use the above process to request permission to re-take the test. <b>Action taken:</b> Management also met with the 4 [union] workers [from the closed Factory ***] and committed on given 2 [union] workers the possibility to re-take skills test. These 2 workers did not complete the 5 days probationary period the first time they were admitted into the factory. <b>Additional Action required:</b> Yes <b>Comment:</b> June 16, 2003 Skills test resulted with 2 workers not meeting minimum skills required to be hired at the factory. Further follow-ups are needed to verify compliance.	3 July 2003	While the finding that "At least four former employees of [the] defunct factory... were fired... most likely because of their union affiliation" cannot be determined with certainty, Reebok required the factory to put in place a re-testing program for the workers cited as the victims of discrimination. The factory responded fully to this request. As a result, the factory has developed, implemented and documented credible management hiring practices, including hiring requisitions and objective testing of qualifications against these requisitions during the application process. Workers were provided the opportunity to reapply for work based on this newly established hiring procedure, and workers failed to meet the minimum competency levels.							How did the auditor arrive so conclusively that this is the "likely" scenario for letting them go during the probational trial period. We have gone to the extent of re-hiring 2 of the 4 employees to give them a 2nd chance. We have submitted their daily documentation to show their competency level. [One worker] left on her own accord the 2nd day of the trial after stating she can not do the work she said she is capable of doing.	GMES verified that there is no evidence of discrimination to [closed Factory ***] former workers. Also, there is not any evidence about some anti-union procedure from the management. The factory, according to their manual of human resources, hires workers based on their expertise and the effectiveness. The workers interviewed said that former workers from Taiwan were hired but after they retired voluntarily. A worker told to the GMES that her sister, who had worked for [closed Factory ***], could enter to work to [Factory] without any problem.	GMES corroborated this situation through interviews with the workers.											
<b>G. 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																											
Incorrect payment of wages	Table 3, Chart 1, Art. 118 in accordance with FLA Benchmarks, VII.B. Wages and Benefits, Hours of Work and Overtime Compensation: Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work.	A few workers were observed working during their meal breaks (uncompensated time). During interviews they explained that they worked from 5 to 15 minutes in order to wait for the rush in the cafeteria to be over and to advance on the work that could help them reach weekly quotas which lead to additional pay (bonus).	Observations and time records				Please submit to Reebok an explanation of how workers are prevented from working of the clock, as well as proof that workers are paid the proper overtime wages in instances where work is allowed during breaks.	8-Aug-03	The worker being observed for this activity that day was actually fixing her own dress, she took the time to do this to avoid the long lunch line at the cafeteria. Now, the line supervisor puts the power plug on the machines so workers will have no opportunity to use the sewing machines during lunch time.	30-Jun-03					Reebok and VF confirmed these actions in interviews of workers and in review of factory's records.		Some of the people interviewed stated that they can stay working during their breaks, but this decision is up to them. However, they said that, actually, nobody is staying due to the lack of production.	GMES corroborated this situation through interviews with the workers.									
Employment contracts	All employees will be credited with all time worked for an employer for purposes of calculating length of service to determine the benefits to which workers are entitled	It is the practice of this facility (as it is that of most employers in the region) to terminate the employment contract of its employees on a yearly basis. This leads to the employee possibly losing certain benefits (length of vacation) that he/she could be entitled to on the basis of seniority.	Interviews, examination of employment contracts, discussion with management.				While the law does not prohibit the practice, Reebok and VF require the proper payment of all legally mandated benefits. A worker whose employment contract is terminated every year risks forfeiting his or her rights to future benefits such as (greater) compensation in case of permanent or job injury or disability, maternity leave, and others. Please investigate whether this practice results in workers losing benefits, and report on the results of your investigation.	8-Aug-03	The employees of [factory] want this option to earn more money during the year end. Signing a 1 year contract vs 3+ years does not affect the overall bonus days. The only difference is in vacation days from 15 for 1-3 years of service, to 18 days from 4 years and onwards. To the workers, the present value of money is most important to them. Due to the unpredictability of the economy, there is no guarantee that a factory will not close its doors before the 3 year period. If the workers can get consistent money each year rather than accumulating 3 years of service, they want the present value benefits that is real and tangible to get.					Reference salvadoran labor code, art. # 177-189 and art. # 196-202	The factory has a policy which establishes that their employees will sign a new labor contract each year and, even if they had already signed a undefined period time contract. Consequently, their severance payments are paid annually but without affecting their seniority. Signing a new contract every year is prohibited by Salvadoran law which establishes that in case the labor is permanent, the contract must be also permanent. The factory must honor the permanent contract and prevent signing a new one every year. The factory can advance workers severance payment every year, only in cases when this practice do not affect their full time and permanent contract. Also, some severance payments are being canceled a few months later than they should.	GMES corroborated this situation through the reviewing of payrolls and through information provided by the management.											
Accurate recording of wage compensation	All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately	Overtime hours worked of sewing machine operators are paid in cash via a separate payroll system (normally workers get direct deposit). This leads to a miscalculation of their legal deduction and may affect the amount of future benefits due to workers.	Review of records, interviews and discussion with management				(a) All work, including overtime records, must be recorded on the regular payroll record. No payments to workers are permitted outside the payroll. Each worker must receive an individualized payroll which accurately shows a breakdown of all hours work and all earned income (regular and overtime pay) and all legal deductions. (b) Factory should develop a written policy which outlines these requirements and a commitment to meet these requirements. Policy should address how these policies will be communicated to workers. Please submit to Reebok a copy of this policy.	8-Aug-03	All work, including overtime records, is recorded on the regular payroll record and no payments to workers is permitted outside the payroll.	30-Jun-03	Copy of the policy submitted as verification, and is maintained in company's local files.	Reebok and VF's monitor re-inspected the factory, and confirmed that work, including overtime records, is recorded on the regular payroll record and no payments to workers is permitted outside the payroll. Reebok and VF will continue to monitor the factory, through extensive document review and worker interviews, to determine ongoing compliance.			Through the reviewing of payrolls and a list sent from a local bank, GMES corroborated that both the wage and the extra hours are being paid through a bank deposit. This situation discards the fact that payments to workers are permitted outside the payroll.	GMES corroborated this situation through the reviewing of the payrolls and through information provided by a local bank.											

Findings					Remediation							Updates		Independent External Verification, May 2006				
FLA Code/ Compliance issue	Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	PC Internal audit findings	target completion date/ partial audit from Reebok	PC remediation plan	Target Completion Date	Factory Response	Completion Date	Documentation	PC Follow-Up & Verification	Company Follow up (July 2004)	Documentation	Monitor Finding	Documentation	Status (Completed, pending)	
Vacation	Salvadorean Labor Code Art. 168	Many workers were found to have worked through their vacation period and did not take time off as required by law. The vacation time worked was properly compensated by employer and appeared to be worked voluntarily by employee, yet labor code calls for time off with pay.	Review of records, interviews and discussion with management				Factory should develop a vacation time policy which outlines the factory's legal obligations in regards to providing workers the opportunity of paid holidays, holidays off, and how workers can request their vacation time. Please submit to Reebok a copy of this policy.	8-Aug-03	This is another benefit that the workers want, as the country is a poor country, and the most important thing to our worker is monetary compensation to support their families. The workers can take paid vacation leave. But they can also get paid out for vacation days like a bonus, then work those days and get paid. You can poll our employees, close to 100% will voluntarily want this as an option.			Factory management should communicate to workers that employers are required to provide workers with paid vacation under local law. Management should examine the workers' interest in additional work hours in the context of providing competitive compensation that meets local legal requirements or local industry practice, whichever is higher.	July 15, 2004: Factory management has communicated in writing to workers that local labor law requires employers to provide with paid vacations and workers are obligated to take them.	Attached word document "aviso respecto a vacaciones anuales" and picture file DSC01416	According to the workers, when they have a lot of work, they are allowed to decide whether to stay working or to take their vacations, but if they decide to stay, they have always been paid. Also, two of the workers interviewed stated that they have worked during some holiday, but they are not accurate in establishing if these holidays were paid or if they were paid to their vacation period. According to the documentation, every vacation has been paid according to the law. Also there was another particular case about the programmed vacation on August 5 of 2005 because workers didn't have vacation although there was a policy of the management to give this date as a holiday.	GMES corroborated this situation through interviews with the workers and the documents provided by the management of the factory.		
Accurate recording of wage compensation: Year end bonuses	All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately														The year-end bonuses are paid according to the workers' seniority. However, the document the workers sign to prove that they have received the bonus is not dated, making it impossible for the monitors to determine if they were paid on time. In order to resolve this situation, GMES suggests that the documents be dated.	GMES verified this situation through a review of the workers' files.		
Accurate recording of wage compensation: Severance Payment	All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately														After receiving their severance payment, the workers do not sign a document certifying their acceptance of the payment received. In order to resolve this situation, GMES suggests that the factory obtain the acceptance forms provided by the Ministry of Labor.	GMES verified this situation through a review of the workers' files.		
<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																		
Day of Rest	Salvadorean Labor Code Art 175	A Sunday was worked by many workers as the factory needed to meet rush orders. The Labor Code and FLA Benchmarks require a day of rest every week. These workers worked straight through the following week. The day was compensated at overtime rate but employee is required to be paid at "extraordinary pay" and be given an additional day off.	Review of records, interviews and discussion with management				(a) Workers shall not work more than 60 hours per week, including overtime, and must have one day off in every seven-day period, except in extraordinary circumstances. Extraordinary circumstances are defined as situations that could not have been anticipated such as natural disasters, political upheaval, or mechanical failures. Adherence to this Reebok Standard is a sign that factory management efficiently organizes its production planning and workflow. Please submit to Reebok a plan for how the factory will organize production to meet Reebok's working hours standards.  (b) Factory must develop a policy whereby workers are provided one day off in seven. Once developed, policy should be posted in the factory in the local language of the workers in a prominent location. Factory must then commit to Reebok in writing that it will comply with this policy.	8-Aug-03	This practice is not done often, only during some peak months. However, the EI Salvador law allows for this as long the proper monetary compensation is paid out. Our GM showed the calculation to the auditors, but they are not familiar enough with this provision of the EI Salvador labor law.			Under Reebok's Standards, workers shall not work more than 60 hours per week, including overtime, and must have one day off in every seven-day period, except in extraordinary circumstances. Compliance with this standards is required, even if stricter with local law. Please submit to Reebok a plan for how the factory will organize production to meet Reebok's working hours standards. Also, factory must develop a policy whereby workers are provided one-day off in seven. Once developed, the working hours and rest day policies should be posted in the factory in the local language of the workers in a prominent location. Factory must then commit to Reebok in writing that it will comply with this policy.	July 15, 2004: Gathered information revealed factory has not passed the 80 weekly hours limit and workers have one day off in every 7-day period. Rest-day policy is posted along with other factory policies and regulations in a prominent area. In addition, management is providing worker training on factory policy that includes "rest-day policies and procedures". Training provided on: May 22, May 29, Jun 5, Jun 12, 2004.	Please refer to "seminarios de cumplimiento social" excel document, page 3 for details on rest-day policy.	Workers interviewed said that they have a day of rest (Sunday) each week. GMES corroborated that the workers have one day off in every 7-day period.	GMES verified this situation through the interviews with the workers and the reviewing of payrolls and the workers time keeping cards.		
Working Hours															The ordinary workday lasts 9 hours, from 7 AM to 4 PM (not 8 as the law stipulates) but the management just recognizes 8. This is a transgression of the articles 161-3 y 163 of the labor law, because the normal schedule of the worker includes 9 hours and only 8 are paid, so these hours can't be considered as over time because they are included in the regular schedule (that's why this is not an overtime compensation violation).	Interviews, examination of employment contracts, discussion with management.		
<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.																		
Forced Overtime																Four of the individuals interviewed stated that overtime is not voluntary, because if on any occasion they decide not to work, they are punished. This punishment consists of their not being allowed to work extra hours during the following week. The problem is not the compensation of the over time, the main problem is that the worker can't voluntarily choose to do or not to do the overtime.	GMES verified this situation through interviews with the workers.	
<b>11. Miscellaneous</b>																		
Other	Respect for workers' privacy	All restrooms have large clear windows to view workers while in bathroom. The toilets stalls have doors. One men's room in particular permits the full back of worker to be seen as they use the urinals.	Auditor's observation				Toilet stalls must have walls and doors for adequate personal privacy. Factory must cover the large clear windows to ensure that workers cannot be observed while going to the bathroom. Once proper privacy has been secured, please submit to Reebok pictures of the inside and outside of the toilet facilities.	8-Aug-03	Factory has covered the large clear windows to ensure that workers cannot be observed while going to the bathroom.			Reebok's and VF's monitor visited the factory, and has verified that the large windows in the factory have been covered.			The privacy of the restrooms has been resolved by placing opaque tape over the windows that had previously allowed people to see inside them.	Visual observation		