

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.

Country	China	Factory Profile	
Factory Code	12001516A	# Workers	3771
IEM	Verité	Product	shoes
Date of monitoring visit	11/22/01		
Duration of IEM Evaluation			
Participating Compan(ies)	Reebok International Ltd.		

FLA Code	Findings		Remediation			
	FLA Code Benchmark/Legal Reference	Monitor's Findings	PC Corrective Action Plan	PC Remediation Status	Documentation	PC Comments
1. Code Awareness						
2. Forced Labor						
3. Child Labor						
4. Harassment or Abuse						
5. Nondiscrimination						
6. Health and Safety						
Fire Safety	<p>FLA Code Benchmark V. Health and Safety: All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.</p>	<p>The auditors reported that there are no records indicating that the fire extinguishers had been regularly inspected.</p>	<p>The factory must develop a plan to inspect fire extinguishers on a regular basis and keep up-to-date inspection tags on each fire extinguisher.</p>	<p>The factory has developed a plan to inspect fire extinguishers on a regular basis and keep up-to-date inspection tags on each fire extinguisher (see attachment #4 (4.) photos)</p>	<p>Factory has submitted copies of the plan, and pictures of the extinguishers for verification. All supporting documentation is maintained in Reebok's internal files.</p>	<p>Reebok will work with factory to monitor continued compliance with fire safety standards through regular visits by compliance staff.</p>
	<p>FLA Code Benchmark V. 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.</p>	<p>The auditors observed that the factory's posted emergency evacuation maps are not clearly visible from production areas.</p>	<p>The factory must post up-to-date emergency evacuation maps that are clearly visible from production floor workstations.</p>	<p>The factory has posted up-to-date emergency evacuation maps that are clearly visible from production floor workstations (see attachment #4 (1.a.) photo).</p>	<p>Factory has submitted pictures of the posted evacuation maps to Reebok for verification, and the supporting documentation is maintained in Reebok's files.</p>	
	<p>FLA Code Benchmark V. Health and Safety: All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees. 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.</p>	<p>The auditors observed that on the fourth floor in Building C, the exit sign on the east side was not in working condition.</p>	<p>The factory must repair any non-functional exit signs and ensure that all exit signs are internally illuminated, backed up by battery, and visible from 100 feet.</p>	<p>The factory replaced all exit signs in January 2002 and ensured that all exit signs are internally illuminated, backed up by battery, and visible from 100 feet (see attachment #4(1.b.) photo).</p>	<p>Factory has submitted pictures of the exit signs for verification of compliance. All supporting documentation is maintained in Reebok's internal files.</p>	
	<p>FLA Code Benchmark V. 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.</p>	<p>The auditors observed that there were no fire safety sign posted in the elevators.</p>		<p>The factory posted fire safety signage in the factory's elevators (see attachment #4(3.) photo).</p>		
	<p>FLA Code Benchmark V. 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.</p>	<p>The auditors reported that the exit doors on the first floor of Building A swing inward.</p>	<p>Replace (or rehinge) all exit doors that swing in with doors that swing out.</p>	<p>The factory has rehinged the doors so that none of the exit doors swing in, but rather that all exit doors just swing out.</p>	<p>Pictures of the exit doors have been submitted to Reebok for verification, and are maintained in Reebok's internal files.</p>	

Findings		Remediation				
FLA Code	FLA Code Benchmark/Legal Reference	Monitor's Findings	PC Corrective Action Plan	PC Remediation Status	Documentation	PC Comments
Medical Safety	FLA Code Benchmark V. Health and Safety: All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	The auditors observed that there was not at least one first aid kit provided for every 100 workers.		Factory has set up additional first aid kits, so that there are one for every 100 workers.		Reebok will ensure that the first aid kits are adequately stocked with the proper supplies via visual inspection during its next visit to the factory.
Housekeeping/ Sanitation	FLA Code Benchmark V. Health and Safety: All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	The auditors observed that there was no hand soap in the factory's toilet facilities.	The factory must keep the toilet facilities stocked with hand soap.	The factory has developed a system which includes checklists for keeping daily track of handsoap supply in the bathrooms (see attachment #5(5) photo).	All supporting documentation is maintained in Reebok's internal files.	
PPE	FLA Code Benchmark V. 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.	The auditors reported that in the automatic embroidery and assembly areas, where noise levels measured up to 91decidels, workers were not wearing the ear protection provided by the factory.	The factory must implement a disciplinary system that enforces its requirement that all workers in the assembling and automatic embroidery areas, where noise levels regularly exceed 85 dB, use ear protection when necessary in order to avoid accident or injury. The disciplinary system should be widely announced, discussed with their H&S committee, accompanied by worker education, supervisor training etc.	The factory has implemented a disciplinary system and announced the system with a sign posted in the factory for all workers to read which states that:"If workers don't wear PPE, he/she and his/her second level supervisor will be punished according to regulation below--Verbal warning for the first violation;Written warning for the second violation;For the third violation the worker will be dismissed and the supervisors bonus will be reduced. The Occupational Health and Safety Team will check on compliance twice per day."In addition, the Factory has an active health and safety committee led by worker representatives. These workers have received Health and Safety Training through [a training with outside NGO experts]. The workers actively monitor all aspects of health and safety in the factory, including PPE usage. When members of the health and safety committee find problems with PPE usage, they provide informal counseling to workers to explain the purpose and intended protections of PPE.	Documentation of this new disciplinary system is maintained in Reebok's internal files.	Improvements enacted through an [NGO training] ensure that workers who work with chemicals receive, are trained on, and use the proper PPE. Reebok will continue to take a proactive approach to compliance regarding health and safety, and will monitor the effectiveness of this project overtime.
	FLA Code Benchmark V. Health and Safety: 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. 2) All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances.	The auditors reported that in Buildings A, B, and C, and in the assembling area of the factory, the workers working with toxic glues were wearing dust masks, not using filtered breathing masks.		Factory has provided these workers with filtered breathing masks.		
	FLA Code Benchmark V. 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.	The auditors also reported that no informational notices or posters regarding the recommended or required use of PPE were posted in the factory.	Factory must prominently post instructional notices on the recommended or required use of PPE in relevant work areas including chemical mixing areas and high decibel areas	Factory has prominently posted instructional notices on the recommended or required use of PPE in relevant work areas including chemical mixing areas and high decibel areas (see attachment #6 photo).	Factory submitted pictures of the posted instructional notices for verification to Reebok, and pictures are kept in Reebok's internal files.	Reebok will work with the factory to determine whether the signs are sufficient to drive usage of the PPE, or whether workers assigned to use hazardous materials need training in the future on the dangers of the chemicals, when PPE is necessary, and how to properly use PPE.
Dormitory Safety	FLA Code Benchmark V. Health and Safety: All dormitories shall be kept secure, clean and have safety provisions (such as fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting etc.). Emergency evacuation drills should also be conducted at least annually.	The auditors observed that there were no exit signs posted in factory's dormitory facility.	The factory must install internally illuminated exit signs (backed-up by a battery) above each exit in the factory's dormitory facility.	The factory has installed internally illuminated exit signs (backed-up by a battery) above each exit in the factory's dormitory facility (see attachment #4(2.) photo). Factory has designated staff and will hold them accountable for verifying that illuminated exit signs are functional on an ongoing basis.	Pictures of the exit signs have been submitted to Reebok for verification, and are maintained in Reebok's internal files.	

		Findings		Remediation		
FLA Code	FLA Code Benchmark/Legal Reference	Monitor's Findings	PC Corrective Action Plan	PC Remediation Status	Documentation	PC Comments
	FLA Code Benchmark V. Health and Safety: All dormitories shall be kept secure, clean and have safety provisions (such as fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting etc.). Emergency evacuation drills should also be conducted at least annually.	The auditors reported that fire drills are not conducted in the factory's dormitory facility.	The factory must conduct dormitory-wide fire drills at least four times a year.	The factory reported that it would continue to conduct fire drills (factory and dorm-wide) four times a year at least two of which are conducted at night. Factory noted that June 2001 fire drill was conducted during the day, and Dec. 2001 fire drill was conducted at night.	Documentation of fire drills is in Reebok's internal files.	
7. Freedom of Association and Collective Bargaining						
		[It was reported in worker interviews] that grievances are not addressed by management in a timely fashion.	Factory must review the effectiveness of grievance procedures and submit a plan for implementing changes to existing grievance procedures that will improve workers' perception of management's responsiveness to workers' complaints.	Management reviewed the effectiveness of the factory's grievance procedure, submitted an improvement plan, and started implementing changes that will improve workers' perception of management's responsiveness to workers' complaints (see attachment #1). In addition, during July of 2001 - after months of open forums with workers and a lengthy process to describe the goals for worker representation in the factory - [the Factory] conducted an election allowing each worker to cast a ballot in favor of their own union representatives. Twenty-six worker representatives were selected by their colleagues to serve as a bridge between workers and management at the factory. Since the election, the union has started to play a significant role in resolving workplace disputes at [the Factory]. As the factory's revised grievance procedure demonstrates, worker complaints may be received by the factory's Counseling Center or by the labor union. However, even if received by the Counseling Center, the labor union will still be involved in the handling of all grievances/disputes.	All supporting documentation is maintained in Reebok's files.	Reebok began this experiment to encourage factory workers to participate in workplace decisions, as part of our ongoing efforts to ensure the respect of freedom of association in Reebok producing factories. While it is too soon to determine whether this could be deemed a "success," the factory has noted that the communication channels between management and workers have improved. Reebok will continue to look at other ways to strengthen the factory's internal problem solving mechanisms through coaching and further collaboration with workers and management.
		Auditors' Briefing Notes: The Chinese constitution grants workers freedom of association--a right which is subject to the interests of the state and the Communist Party. The All-China Federation of Trade Unions is the only legally recognized trade union and has been criticized for its effectiveness.				While the factory union continues to be affiliated with the All China Federation of Trade Unions, typical in China, the election is the first known effort to give rank and file workers in this factory the opportunity to articulate their own views.
8. Wages and Benefits						
Minimum Wage	<p>Pay workers at least the local monthly minimum wage regardless of whether the workers have worked the entire wage period with the proviso that the workers' layoff is through no fault of their own, as per law. Where an employing unit stops work or production not caused by the laborers within a period of the payment of wages, the unit shall pay wages to the laborers according to the standards prescribed by the labor contracts. In case of exceeding a period of the payment of wages, if laborers provide normal work, the remuneration paid to laborers shall not be lower than the local standards on minimum wage (Addendum I: Ministration of Labor Regulation on Wage, Article 12).</p> <p>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher. 2) Workers paid on the basis of incentive quotas will be paid not less than the minimum or prevailing wage, whichever is higher. 3) Regardless of any production quotas, incentives will not be reduced or unpaid if the result will be wages below the minimum wage.</p>	[It was reported in worker interviews] that when production at the factory stops within a given pay period piece rate workers are not paid.	The factory must develop and implement a plan for paying workers at least the local monthly minimum wage regardless of whether workers have worked for the entire wage period or not - with the proviso that the workers' layoff is through no fault of their own.	<p>The factory developed and implemented a plan for paying workers at least the local monthly minimum wage regardless of whether workers have worked for the entire wage period or not - with the proviso that the workers' layoff is through no fault of their own. As of 2002, the factory has adopted the following policy on payment of wages (particularly relevant to "down time")If down time in the factory amounts to less than three full days in one month, the factory will compensate employees as if the rest days were worked.</p> <p>In addition, the factory pays the full minimum wage + all OT compensation, as normal;In cases where workers do not work at all for a period of more than three days, then workers must be paid no less than 75% of the minimum wage for all days not worked, and paid as normal (Minimum Wage + OT) for all days on which they worked. It is not permissible to offset workdays with downtime days.If the factory should decide to terminate workers rather than pay the downtime wage, then the factory is responsible for paying the worker termination wages equivalent to one month per year of service, or partial year of service.</p>	Documentation of the new policy, and back wage payment is maintained in Reebok's internal files.	Reebok is currently working with the factory to ensure that all workers received at least minimum legal compensation for hours worked previous to the new plan/policy.
9. Hours of Work						

Findings		Remediation				
FLA Code	FLA Code Benchmark/Legal Reference	Monitor's Findings	PC Corrective Action Plan	PC Remediation Status	Documentation	PC Comments
Voluntary OT	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) The employer will demonstrate a commitment to reduce mandated overtime and to enact a voluntary overtime system to meet unforeseen situations. 2) Overtime hours worked in excess of code standard will be voluntary.	[It was reported in worker interviews] that a worker could not decline overtime work, and that a worker was required to request management's permission to be exempt from overtime work.	Factory must ensure and demonstrate that all overtime work is strictly voluntary, and that workers are permitted to decline overtime without fear of penalty, dismissal or reprisal.	In Nov. 2001, the factory announced to workers that all overtime is voluntary (see attachment #3). In addition, the factory has developed a plan to ensure and demonstrate that all overtime work is strictly voluntary, and that workers are permitted to decline overtime without fear of penalty, dismissal or reprisal. In order to ensure compliance, the factory reported to Reebok that it would conduct worker interviews about this every 2 months. The initial investigations were conducted on Jan. 24th 2002. Nine [Factory] employees from the counseling center distributed the overtime questionnaire to 300 workers in factory dormitories. Analysis of workers' responses to the questionnaires revealed that some supervisors were indeed requiring workers to work overtime. The names of these supervisors were then reported to the factory's vice president, and the 5 supervisors were given verbal warnings.		Reebok will continue to monitor this issue, and work with the factory should worker interviews reveal continued action by supervisors to require overtime.
Mandatory Unpaid Meetings	FLA Code Benchmark VII. 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.	[It was reported in worker interviews] that the workers have been required to arrive at work 15 minutes before their shift begins in order to participate in unpaid exercise sessions.	Factory must cease requiring workers to attend unpaid pre-work meetings. The factory must either compensate workers for attending mandatory meetings or make attendance strictly voluntary.	The factory no longer permits workers to punch in between 7:15 a.m. and 7:30 a.m. and has ceased morning exercise since 28 Jan. 2002 (see attachment #2).		
Overtime hours	Per the FLA Code provision on Hours of Work: Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.	Workers interviewed noted working as many as four hours of overtime on Saturdays and up to 20 hours of overtime per week.	Reebok notes that current working hours reflect a progressive reduction in the number of working hours per month. Reebok encourages the factory to take additional steps in this direction.	The factory reported that it has maintained strict compliance with Reebok's 60-hour workweek standard. Starting in January 2002, the factory has also set a lower standard (of 54 hours a week) for workers in the cutting, stock fitting, and sample lines. The factory aims to expand this practice to other departments.	Appropriate supporting documentation is maintained in Reebok's internal files.	This is particularly difficult, given the prevalent industry practices of longer hours than the law permits in the region. However, Reebok is currently encouraging the factory to reduce working hours through increased number of employees/lines/shifts, in order to abide by local law.
10. Overtime Compensation						