

*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	INDIA
Factory name	12023257C
IEM	BVCPS (India)
Date(s) in facility	15 & 16 November 2004
PC(s)	Reebok International Ltd. and Phillips-Van Heusen
Number of workers	1553
Product(s)	Apparel, Woven and Knits
Production processes	Cutting, Sewing, Finishing and Packing, Washing and Embroidery

FLA Code/ Compliance issue	Findings							Remediation					Updates	
	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation (If finding was corroborated/verified through multiple sources, list)	Was Finding Corroborated? Yes or No	If not corroborated, explain why	Best Practice	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (March 31, 2005)	Documentation	Company Follow up (May 5, 2005)	Documentation
<b>1. Code Awareness</b>														
Worker/management awareness of Code		<b>FLA Principle of Monitoring, Obligation of Companies:</b> Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	Adequate records stating the CODE was communicated to workers were not available. It was done as a requirement of one of factories Client.	Documents	Yes	N/A	Nil	[*****The findings have been shared with the factory and the PC will conduct a follow up visit after the response of the factory*****]	8th. January 2005	An Employee Handbook which is given to each worker encourages the worker to read the Codes of Conduct of the various companies we work with. This is also displayed on the main notice board of the factory. With effect from 8th. January 2005 we will start training sessions in batches of 30 workers to provide awareness on code elements. These sessions will be held twice a week on an ongoing basis. Moreover induction programme for new workers will be conducted once a week. All these will be documented.	March 31. 05. Factory claims conducting meetings with workers to explain PC Code elements, at least twice a week in batches of 20-25 workers each. However, workers who had signed attendance sheets for these meetings, when interviewed stated that they were explained issues pertaining to fire safety, first aid and cleanliness in work areas. Beyond this they were not aware of the requirements of the code elements.	Review of Meeting attendance sheets, signed by workers and interview with some of these workers..	May 5, 05. In the meetings conducted with workers, we have not explained the code with respect to any one of our customers-since most points are common, we have explained a common code. These meetings are being held on an ongoing basis and we welcome the participation of a T-Group representative to personally witness and contribute towards the explanation of code elements to workers.	
<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>														

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		No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.													
		<b>4. Harassment or Abuse</b>													
		Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.													

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<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.															
<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															
Fire Safety Health and Safety legal compliance	(As per rule 68 (10 A) of central rules of Factory Act, 1948)	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	Fire extinguishers were blocked in the sampling section	Visual Observation	Yes	N/A	Nil		17th Nov.,04	Fire Extinguishers were unblocked immediately when this was pointed out.	March 31, 05. Most Fire Extinguishers were still noticed blocked.	Visual Inspection	May 5, 05. In spite of our best efforts, some workers do inadvertently leave WIP in front of fire extinguishers. This has again been unblocked.		
Evacuation Procedure	As per Sec 68 (12 c) of the Factories The Act, 1948	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 drills are conducted in a period of three months as against at least once in two month time frame as per local laws.	Documentation and workers interviews	Yes	N/A	Nil		15th. Jan., 05	We shall enhance the frequency of Fire Drills to once every 2 months. The next fire/evacuation drill will be conducted on 15th. January and every 2 months thereafter. This will be documented.	March 31, 05. Fire Drills are now being conducted once in two months.	Fire Drills register			

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Safety Equipment	According to general safety requirement number 3 of Schedule I of Chapter IV of Central Rules of The Factories Act, 1948	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	Needle eye guards were missing on sewing machines in the sampling section.	Visual Inspection	Yes	N/A	Nil		17th Nov.,04	Needle guards were installed on all sampling machines on the second day of the audit. ( This was subsequently clarified with the auditor as there was lack of clarity on whether it was needle guards or eye guards that the auditor had recommended ).	31 March 05. Needle guards were still missing from few machines.	Visual Inspection	May 5, 05. Needle guards were installed on all machines in sample room. Some workers find it inconvenient and remove them-- however, there are relatively few cases. Most have adhered to the policy. We are working on making it 100% effective.	
Chemical Management	As per Sec 7 B of the Factories The Act, 1948	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	MSDS was not available for all the chemicals being stored and used by the factory.	Visual Inspection	Yes	N/A	N/A		19th Nov 04	The few MSDS's which were missing on date of inspection were immediately obtained and are now displayed.	31 March 05. MSDS of chemicals being used are now available & duly posted.	Visual Inspection		
<b>7. Freedom of Association and Collective Bargaining</b>														
Employers will recognize and respect the right of employees to freedom of association and collective bargaining														

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<b>8. Wages and Benefits</b>															
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits															
Time-recording system	-	Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards	For Security guards the attenface was maintained manually with out exact time "In & Out details"	Available attendance documents.	Yes	N/A	Nil		1st Jan.,05	Time clock with Card punching system for time and attendance recording for Security Guards has been installed/implemented from 1st. January 2005.	31 March 05. Security guards now use punch card machine to record their work hours. In & Out timings are now accurately recorded & reflected in the same.	Security Guards time records (Punch Cards) and interview			
Record Maintenance	1. According to Section 13 A of the Payment of Wages Act, 1936	All compensation records will be maintained accurately and should be acknowledged by the employee as accurate.	For Security guards the attenface was maintained manually with out exact time "In & Out details"	Available attendance documents.	Yes	N/A	Nil		1st Jan.,05	Time clock with Card punching system for time and attendance recording for Security Guards has been installed/implemented from 1st. January 2005.	31 March 05. Security guards now use punch cards to record their work hours. In & Out timings are now accurately recorded & reflected in same.	Security Guards time records (Punch Cards) and interview			
Legal Compliance for holiday/leave	According to Rule 23 (2) of the Minimum Wages Central Rules, 1948, weekly off's shall be provided.	Workers will be paid for holidays and leave as required by law	Security guards employed through outside security agency are not provided with a weekly off.	Interviews, Document Review	Yes				20th Dec.,04	Weekly Off to Security Guards by their agency was implemented from 20th. December 2005.	31 March 05. New Security agency has been engaged & security guards are now provided weekly rest days.	Security Guards Time & attendance records and interview			

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<b>9. Hours of Work</b>															
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period															
Overtime Limitations	According to Section 64 (4) of The Factories Act, 1948:	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	Security guards are working for 12 hours a day ie 04 hours of over time , which is more than the allowed legal overtime of 02 hours a day.	As per documents	Yes	N/A	Nil		1st Jan.,05	Effective from 1st. January 2005 we have replaced the Security Agency with another one. The new agency is called ***. All security guards now work on an 8 hours shift.	31 March 05. Effective 1 January 05, new security agency has been engaged & guards are now hired for 3 shifts of 8 hours each. Total number of guards have been increased from 18 to 38.	Attendance & Time records of Security guards and interview			
<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.															
Accurate recording of OT hours worked?	According to Rule 25 (2) of the Minimum Wages Central Rules, 1950	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	Actual time "In & Out " records for security guards were not available.	Records availabe as attendance records	Yes	N/A	Nil		With Effect from January 2005 payment.	Copies of all compensation records including overtime, if any, will be maintained from January 2005 payment onwards.	31 March 05. Actual In & Out timings are now recorded & reflected in time records & same are available for review. However, pay records were available for the month of February 05 only. These were not available for January 05.	Time & Pay records for February 05 and interview			

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OT Compensation	According to Section 59 (1) of The Factories Act, 1948 ,	The factory shall comply with applicable law for premium rates for overtime compensation	In absence of "In & Out time records payment of overtime wages were not vefiable.	Records availabe as attendance records	Yes	N/A	Nil		With Effect from January 2005 payment.	Copies of all compensation records including overtime, if any, will be maintained from January 2005 payment onwards.	31 March 05. Based on review of time & pay records for February 05 and interview, security guards are working on 8 hour shifts and their time and wage records are being maintained.	Time & Pay records for February 05.		
<b>Miscellaneous</b>														