

FLA Audit Profile	
Country	Bangladesh
Factory name	1200559C
IEM	LIFT Standards Limited
Date(s) in facility	November 4, 6, 9, 11, 2004
PC(s)	Reebok International Ltd.
Number of workers	3300
Product(s)	Woven and Knitting
Production processes	Cutting, Sewing, Finishing

		Findings				Remediation				Updates		
FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC Remediation Plan	Target Completion Date	Documentation Required	Factory Response (Optional)	Documentation Submitted	Company Follow Up and Verification (01.10.05)	Documentation
1. Code Awareness												
Code posting/information	Code of Conduct (CoC) needs to be posted at the factory floor in local language.	FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	Only 1 CoC of Reebok posted on the main notice board (ground floor) and another 1 inside conference room but none on the production floor.			Factory must post the Reebok Human Rights Production Standards (RHRPS) in a prominent location on the production floor.	15-Dec-04	Factory to submit photos of posted posters. Please indicate where on the production floor they were posted.	Factory will take initiative to post 2 CoC in the exits, 5 on the production floors and 1 in the dining hall.	Factory submitted 8 photos of Reebok posters to Reebok monitor.	Reebok's monitor obtained documentation on 01.10.05 verifying the posters have been placed throughout the production floor in prominent locations. Reebok will verify code postings during next factory visit with a visual inspection.	Photos
Worker/Management Awareness of Code		FLA Principle of Monitoring, Obligation of Companies: 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.	Only new recruit training is arranged by the factory, but no poster and policy related to code is posted. Capacity building of the internal compliance monitoring team needs to be enhanced.			(a) While communication of Reebok Standards to new employees during orientation is in place, and indeed a good practice, existing employees must receive written and verbal communications on RHRPS on an ongoing basis. One way to provide ongoing written communications, is through worker handbook, which outlines RHRPS; factory policies; and worker rights and obligations under them. (b) Factory to provide ongoing training, internally or with an external provider, to internal compliance staff on RHRPS; local and international labor law; and human rights standards.	15-Dec-04	Factory to submit (a) plan for ongoing training of workers, (b) a copy of its worker handbook and (c) a plan for training compliance staff.	(a) Factory has supplied handbook to all the workers, which includes factory policies. These have also been posted on the notice boards located in the exit gate, 5 on the production floors and 1 in the dining hall. (b) We have planned to send our internal compliance monitoring team to the ILO Dhaka office for training. In addition, to improve their understanding of compliance issues, we plan to send them to visit some factories with good compliance records.	Factory submitted worker handbook.	Reebok's monitor obtained a copy of the worker handbook to verify compliance. Moreover, will continue to work with the factory to oversee training of workers and the internal compliance team.	Worker Handbook
2. Forced Labor												
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.												
3. Child Labor												
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.												
4. Harassment or Abuse												
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.												
5. Nondiscrimination												
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.												
6. Health and Safety												
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		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.	Factory has an inappropriate plan for evacuation of workers.			According to audit instrument, IEM reports that "only one evacuation plan per floor is posted which is insufficient in number according to the floor space." Moreover, IEM reports factory only conducts fire drills "twice a year." Factory must plan for emergency action by ensuring sufficient evacuation routes as well as worker training so workers respond quickly and responsibly in case of fire. (a) Factory post on production floor evacuation diagram for each evacuation route from each area. Evacuation diagram to include evacuation routes, gathering areas outside, fire extinguisher locations, alarm pull box locations, locations of fire safety equipment. (b) Reebok requires (to account for worker turnover) minimum of 4 fire drills per year, with at least 2 unannounced, with all drills performed with power shutdown to test emergency lights and alarm. Factory must maintain evacuation drill log for each drill. See Reebok's guide for a sample. (c) Factory to assign individual to be responsible for fire safety and its policies and procedures for ongoing planning, implementation and enforcement. If these policies and procedures are not currently available, please develop them and submit them to Reebok. Please be sure to include fire safety equipment (see below) as part of fire safety program.	(a) January 15, 2004 (b) Factory to conduct to more drills by end of year, in accordance with Reebok's requirement. (c) February 15, 2005	Factory to submit (a) pictures of all posted evacuation procedures (and indicate where they are located), as well as (b) copies of 2 fire drill logs. (c) Factory to submit name of individual responsible for fire safety and copies of its fire safety policies and procedures.	Factory conducted 2 fire drills in January and August 2004. Factory conducted 2 more fire drills on November 28 and December 30, 2004.	Factory submitted copies of (a) fire evacuation drill records, including signatures, (b) photographs of installed fire evacuation plan (c) fire safety plan.	Reebok's monitor obtained documentation on 01.11.05 verifying evacuation procedures have been placed throughout production floor in prominent locations. Reebok will verify evacuation procedures postings during next factory visit with a visual inspection.	Fire evacuation drill records, photographs, fire safety plan
Safety Equipment		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.	Insufficient number of fire extinguishers and fire fighting equipment like fire blanket, hook, mask, etc.			Factory must comply with all applicable fire safety laws and regulations. (a) Factory must submit to Reebok's monitor an inventory of all fire safety equipment (including extinguishers, fire hoses, etc.), its locations, and their distance from employees. (b) Once inventory is completed, factory must then determine how much additional equipment is necessary, how much, and where. (c) Purchase as necessary. Please note for Reebok's requirement of a fire safety plan to address this issue sustainably.	(1) December 7, 20004 (b & c) January 31, 2005	Please submit (a) inventory, (b) copies of invoices of purchases.	We have 86 fire extinguishers (84 for floors, 1 for boiler and 1 for generator room). Our factory's measurement is 89943 sq ft (3 floors). So as per requirements, we have a shortage of 6 extinguishers. We will install these very soon. Factory will purchase and install required fire extinguishers, fire blanket, gas mask, fire hook and smoke detectors.	Factory submitted copies of (a) inventory and (b) a calculation of requirements per local fire brigade authority.	Reebok's monitor obtained documentation on 01.11.05 verifying safety equipment needed. Reebok will verify purchase of safety equipment during next factory visit with a visual inspection and documentation review.	Inventory, Calculation of requirement per local fire brigade authority
Machinery Maintenance		All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	Needle guards in the overlock machines, masks and pulley guards in old machines are not used.			(a) Factory must inspect all sewing machines (old and new) to determine whether safety devices are present and operational. (b) Factory to then install or repair any missing or non-working order. (c) Factory to assign an individual for the ongoing inspection and maintenance of all factory equipment. Policies and procedures for this should be developed and submitted to Reebok.	(a) 12/31/2004 (b & c) January 31, 2005	Factory to submit (a) record of inspection, (b) maintenance record and/or any invoices demonstrating any purchases of safety devices, (c) name of individual responsible for ongoing implementation enforcement, and (d) copies of ongoing maintenance policies and procedures.		Factory has submitted copy of a safety training manual on use of safety equipment.	Reebok's monitor obtained documentation on 01.11.05 and found that factory is yet to deliver safety training to all workers, including the use of needle guards. Reebok will verify delivery of trainings during next factory visit with a visual inspection and documentation review.	Safety Training Manual

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Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	Toilets are not clean and adequate.			(a) Factory must provide sufficient number of toilets located within the factory building. (b) Factory must have a plan to maintain cleanliness of toilets.	31-Dec-04		Factory cleans toilets on a 2 hour basis daily and maintains a cleaning chart duly checked and signed by our compliance officer. We already have sufficient toilets for the workers. We are reconstructing and renovating the existing toilets. After completion of work we will have 124 toilets. Among them 104 for 2600 female workers; 13 for 550 male workers; and 7 for 150 staff and security. The reconstruction work of the toilets is going on.			
7. Freedom of Association and Collective Bargaining												
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.												
Right to Freely Associate		Workers will have the right to establish and, subject only to rules of organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time worker seeks employment, and continues through the course of employment.			Workers are aware about rights to organize through the worker's forum.							
8. Wages and Benefits												
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.												
Minimum Wage	Monthly salary and overtime payments are to be paid together by 10th of each month.	Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher.	Increment not given to workers whose salary is raised up to 2000 taka, as a result, they leave the factory.			Factory must (a) pay its workers wages that are comparable with local industry practice. Factory must back pay increments to applicable workers. (b) Factory must develop and document its wage and increment policy.	31-Dec-04	Factory to submit a copy of promotion policy, including language on increments.	Factory has given 1252 workers and staff promotions and increments during 2004. Among them, 132 persons promoted and 1120 persons given increment. Factory has done it by assessing their individual skill and performance. We are giving salary to the workers as per prevailing law of the country.	Factory has submitted listing of workers given increments.	Reebok's monitor obtained documentation on 01.11.05 and found that factory has given increments and promotions from December 2004. Reebok will verify payment on next factory visit with interviews with workers and management.	Listing of workers given increment
Timely Payment of Benefits		All legally mandated deductions for taxes, social insurance, or other purposes will be deposited each pay period in the legally defined account or transmitted to legally defined agency. This includes any lawful garnishments for back taxes, etc. The employer will not hold any of these funds over from one pay period to the other unless law specifies deposits are to be made less frequently than pay periods (e.g., monthly deposits, weekly pay). If law does not specify, then deposits will be made before the next pay period in all cases.	Salary and OT is paid by 10th of the month, but production bonus and Eid bonus paid separately.			(a) While factory pays workers for regular wages and overtime at the same time, and indeed a good practice, all legally mandated bonuses will be paid in a full and timely manner. Factory to inspect payroll to raise efficiency for bonus payments. (b) Factory to develop policies and procedures for the ongoing timely payment for all bonuses. (c) Factory to assign an individual for the ongoing inspection and maintenance of all factory equipment.	(a) 12/15/2004 (b & c) January 31, 2005	Factory to submit (a) record of inspection, (b) copies of bonus policies and procedures, and (c) name of individual responsible for ongoing implementation and enforcement.	Factory treats salary and OT, production bonus and Eid bonus as separate issues. Factory pays Eid bonus in separate sheet. Factory to issue individual pay slip for bonus, as well as from the coming Eid-ul-Azha to ensure. Production bonus given to encourage the workers. This bonus is given as per the internal rules of the factory and the payable amount is distributed as per a definite ratio in a separate sheet by the timekeepers under the supervision of the administration.	Factory has been requested to submit its inspection record as verification, as well as the other documentation on systems.	Reebok's monitor will conduct a follow-up visit to verify timely payment of bonuses through, documentation review and worker interviews. Documentation on policies and procedures is still pending.	
9. 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												
10. Overtime Compensation												
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.												
Other					Actual overtime carried paid to workers.							
Miscellaneous												
	Maternity leave is permissible for 6 weeks before and 6 weeks after the delivery with payment. No worker will be terminated due to pregnancy.				Maternity leave is given and the payment of total 6 weeks is paid in advance before proceeding for leave. In addition to that, necessary medical assistance given to the workers during their ante-natal and post-natal phases.							