

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 Monitoring Visit Profile	
Country	INDIA
Factory Code	12023286B
IEIEM	T-GROUP SOLUTIONS PVT. LTD
	INDEPENDENT EXTERNAL VERIFICATION (IEV) CONDUCTED BY T-GROUP SOLUTIONS PVT. LTD
Date of Audit	AUGUST 21 & 22, 2003
PC(s)	Reebok International Ltd. and Nike, Inc.
Number of Workers	110
Product(s)	Sports - Shoes
Production Processes	Cutting, Stitching, Soling, Cementing, Drying, Inspection & Packing

FLA Code/ Compliance Issue	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Remediation		Third-Party Verification		Remediation Follow Up				
					PC Remediation Plan	Target Completion Date	Factory Response	Completion Date	Documentation	External Verification (May 30, 2006)	Documentation	PC Remediation Plan (Dec. 12, 2006)	Documentation, Completion Date
1. Code Awareness													
Worker Management Awareness of Code		FLA Principles of Monitoring, Obligations 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.	Reebok's and Nike's code of conduct posters both in English & the local language are posted in production areas. However, many workers interviewed had not read them nor were made aware of these standards hence were not aware of the code elements	Visual inspection and interview with workers	(A) Factory will prepare a detailed workers' handbook incorporating the standards and their application in the factory. (B) Factory will prepare a training plan and conduct in-house orientation training for all workers into the application of these standards. Training will be a routine part of workers' orientation upon induction. All existing workers will be provided with periodic refresher training.	(A) Deadline for distributing handbook to all workers - Oct 2003. (B) Formal training plan to be drawn up by Sept 30. (B) All workers currently on factory payroll to be provided orientation by end of October.	1. Workers' hand book has been revised to incorporate the standards and other information. 2. Training schedule has been developed and worked out. 3. Training has been organized for all workers. Refresher training is scheduled for every 6 months thereafter.	Oct-03	A copy of the worker's hand book, along with an English translation, and a training plan / schedule were submitted to Reebok's monitor as verification, and are maintained in Reebok's local files.	All employees have been provided with 'An Employee Handbook'. However, this hand-book does not contain Reebok's codes, nor are Reebok's CCC posters posted anywhere in the factory in any language. Though management claimed that training is provided to workers on code and employee hand-book awareness no such evidence was seen. Workers interviewed stated that they were not aware of any such training and nor was any documentary evidence of any such training having been imparted was made available. Workers are quite ignorant of the code elements.	Copy of Employees hand book obtained. Interviews with employees and Management were conducted. Factory claims to have issued handbook to all workers, verification of docs proves that all workers have been provided with handbooks for two of the units, remaining unit should receive handbooks by Dec. 06. Reebok posters with PC info found displayed on production floor.	Completed	
Confidential Non-Compliance Reporting Channel		FLA Principles of Monitoring, Obligations of Companies: Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company any non-compliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	No effective system in place	Interview with Workers	(A) Factory will incorporate in workers' handbook, as well as in orientation training, details of how to use the suggestion/complaint box and other channels for recording grievances to management - including protocol for acting on inputs and maintaining confidentiality. (B) Factory will revise workers' forum by (a) allowing workers representatives elected by fellow workers from each section to retain office for not less than six months. (B) provide proper mandate to representatives to gather and report worker grievances from workers, (C) communicate this mandate to all workers. (D) record all issues raised by worker representatives (in monthly forum meetings) and management decisions on each issue and post this minute on factory notice board.	(A) Deadline for distributing handbook to all workers - Oct 2003. (B) Sept 30.	Factory has a suggestion box for workers to report complaints, or raise suggestions. The policy and procedure for using suggestion/complaint box is provided to workers in the hand-book. Duplicate key of the box is given to Reebok representative who is always present in the factory. Workers have been instructed to seek interview with Reebok representative through complaint box in case they want to communicate directly with him and report non-compliance. Moreover, a Workers Forum/Grievance Committee is already in place. Committee's members are elected for 6 months by workers in an open democratic election, their names displayed on factory notice board. They are re-elected by workers. Meeting takes place once a month with high-level management, minutes of which are posted on notice board. A copy of minutes from a recent forum meeting has been submitted to Reebok. Reebok's CCC poster, Notice, is posted in a prominent location inside factory, in local language. Notice informs workers that they can contact Reebok, and provides information on how they may do so.	Oct-03	Copy of the worker's hand book, suggestion box policy, worker's forum mandate, and minutes of recent meeting of workers forum / grievance committee have been submitted to Reebok's monitor as verification, and are maintained in Reebok's internal local files.	There is no effective Confidential Non-compliance reporting mechanism in place. Reebok Code of Conduct is not posted in the factory nor was any contact information of the P.C. seen displayed or posted anywhere in the factory. Grievance committee exists only on paper and does not really play any role in effectively dealing with workers issues. Records of periodic meetings conducted by this committee are maintained but while some workers interviewed felt that the committee members are really not proactive hence they choose to approach the management directly with their problems others were not even aware of the existence of this committee as they had not participated in an election process. Workers interviewed were aware of the suggestion boxes, however displayed a lack of interest in utilizing this option.	Visual Inspection. Reebok posters with PC info found displayed on all production floors at unit. Suggestion boxes found installed in toilets and canteen. P.C's Compliance Team with Management and workers. Continue to monitor this issue in order to ensure effective remediation.	Ongoing.	
2. Forced Labor													
3. Child Labor													
Age Verification		In those cases where proof of age documentation is not readily available, employees will take precautions to ensure that all workers are at least the minimum working age, including medical or religious records, or other means considered reliable in the local context.	Doctor's certificate pertaining to worker's age was maintained on most personal files of workers. However, in many instances, workers interviewed stated that they had not met the doctor who issued their age-proof certificates.	Workers personal files and interview.	Factory will ensure that all workers have credible age documentation, in accordance with local law, an independent medical professional shall, at the factory's cost, determine age of workers. Only a female physician may, with the worker's consent, conduct a non-invasive medical examination to determine age of worker.	30-Sep-03	Most of the workers have school certificates and other other age documents. In doubtful cases denial inspection is being organised.	30-Sep-03	Age proof of workers on the Sports Shoe Factory Roll have been submitted to Reebok's monitor as verification and are maintained in Reebok's local files.	Proof of age documents for some workers are not available in the facility. For those where the denial has issued certificates certifying approximate age of workers the denial is now examining them physically prior to issuing an 'Age Certificate'.	Interview with employees and review of Workers personal files / Proof of Age Documents.	During verification it was found that factory has yet not completed the process of collecting age proofs for about 20% of workers. Factory is reported have frequent turn over of employees in the personnel department, as a result, Personnel Department often does not complete its tasks properly.	Ongoing.
4. Harassment or Abuse													
Progressive Discipline		Employers will utilize progressive discipline, e.g. escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers.	Factory has its Certified Standing Orders however, as legally required these need to be posted in the workplace in the local language. Factory resorts to verbal counseling and reprimand and written warnings.	Copy of Certified Standing Orders seen on file. Interview of workers and management and review of workers personal files.	Factory must comply with the legal requirement to post Standing Orders in the local language in a prominent location inside the factory.	30-Sep-03	Standing orders in local language are displayed on Notice Board.	Sep-03	Copy of standing orders, as well as a photograph of the standing order posted in the factory, have been submitted to Reebok's monitor as verification, and are maintained in Reebok's internal local files.	Certified Standing Orders are not posted anywhere in the facility in the local language or in English.	Visual Inspection with factory management	Factory is post certified standing orders in English and in local language(s).	Ongoing.
Sexual Harassment		The Supreme Court of India defines sexual harassment as "Unwelcome sexually determined behaviour which includes physical contact and advances, a demand or request for sexual favours, sexually coloured remarks, showing pornography, and any other unwelcome physical, verbal or non-verbal conduct of a sexual nature".	Employers shall not offer preferential work assignments or other preferential treatment of any kind in actual or implied exchange for a sexual relationship, nor subject employees to prejudicial treatment of any kind in retaliation for refused sexual advances.	Many female workers during interview complained of harassment by the Section In-Charge of the Assembly/Section and their complaints about him to the concerned Supervisor has not resulted in any remedial action. He tends to get spiteful and often would also come and standst next to a female worker and ogle at her to her sheer discomfort and disgust. The problem continues to exist.	(A) Factory must develop and implement a written non-harassment policy, clearly outlining that factory management does not condone, create, or contribute to an intimidating, hostile or offensive working environment. Factory will communicate its policy of zero-tolerance for any form of harassment through orientation training and workers' handbook. Factory must train train supervisors and workers on its new policy. (B) Factory must immediately investigate the reported incident, and take appropriate remedial measures. (C) Factory will designate a female staff to interact with workers and encourage reporting of such incidents to management.	30-Sep-03	1. Factory has developed a non-harassment policy, which was included in the worker handbook. Factory included non-harassment training as part of its training program, and training is ongoing. 2. Case investigation is closed. Soon after the complaint was received from the worker, investigation was ordered which was carried out by the Factory Manager-Personnel/legal. A show cause notice was served on the concerned supervisor. The supervisor declined to accept the notice first time. Subsequently he was called and notice served to him again, with a warning of pending discipline. In response to the notice he submitted his resignation. He was again asked to reply to the show cause notice or give a verbal statement so that the true facts of the case could be established. He only said that a false allegation was made against him which was humiliating and he would like to leave the factory. An inquiry from other workers also could not establish the charge. However, the factory gave the benefit of doubt to the complainant. The resignation of the Supervisor was accepted. 3. A female staff has been earmarked to interact with workers regularly.	18.3. Oct. 2, December 03	Copy of the factory's harassment policy, and a picture of its posting inside the factory, have been submitted to Reebok's monitor as verification. Moreover, the plan for training supervisors and workers also submitted to Reebok. The following materials from the harassment complaint have also been submitted to Reebok: Complainant from the worker, Notice served to the Supervisor and the Supervisor's resignation. These documents are maintained in Reebok's internal files.	The Section In-charge against whom there were allegations of Sexual harassment during the audit in 2003 has since left the organization. Meanwhile the Factory has developed a Policy on Harassment and Abuse. However, no training programs are conducted to educate workers on this policy.	Review of the Policy with workers and management. Docs verified / workers interviewed stated that workers have attended training programs regarding policies and procedures of factory. Sexual and harassment policy has been made and circulated among workers.	Ongoing. Policy and procedure in written. Minutes of meeting for all previous meeting held for the concern has been collected from factory.	
Disciplinary Practices		As laid down in the certified Standing Orders	Employers will utilize consistent written disciplinary practices that are applied fairly among all workers	Employer resorts to verbal reprimands and written warnings towards erring workers	Interview with workers, managers and review of workers personal records	(i) As part of the written non-harassment policy requested above, the factory will issue written instructions to all supervisory staff to refrain from any form of verbal or physical abuse. I will develop and communicate punitive measures against all violators - worker and staff. (ii) Factory will include in its orientation training and in workers handbook examples of unacceptable behavior and language in the workplace. Please submit to Reebok a copy of the one disciplinary materials, and the worker handbook, once developed. (iii) Factory will develop and document disciplinary policies that describe the different levels of discipline and the various levels of authority inside the factory for exercising discipline.	30-Sep-03	1. Supervisory staff has been warned about any type of abuse of the factory's zero tolerance policy for harassment. 2. The non-harassment policy now includes prohibited behaviors for supervisory staff to refrain from any form of verbal or physical abuse. The non-harassment policy is included in the worker handbook. Harassment training on the non-harassment policy are now included in worker orientations. 3. Factory has issued draft disciplinary policies, which will submit to Reebok for recommendations for further development.	1 October '03 2. Oct-Dec 04 3. Pending	Copy of the factory's harassment policy has been submitted to Reebok as verification. The factory has been requested to submit its disciplinary policies and procedures to Reebok as well.	There are No complaints of Harassment or abusive language being used now.	Interview with workers and Management.	

FLA Code/ Compliance Issue	Legal Reference	FLA Benchmark	Findings		Remediation				Third-Party Verification		Company Verification Follow Up		
			Monitor's Findings	Documentation	PC Remediation Plan	Target Completion Date	Factory Response	Completion Date	Documentation	External Verification (May 30, 2006)	Documentation	PC Remediation Plan (Dec 12, 2006)	Documentation, Completion Date
Training of Management in Disciplinary Practices		Employers will provide training to managers and supervisors in appropriate disciplinary practices	No formal training, this is handled by the Personnel Dept.	Interview with factory management	Factory will conduct formal training for all supervisory staff regarding acceptable disciplinary measures based on severity of infractions. No disciplinary measures should demean a worker's dignity or result in monetary deductions. Please submit to Reebok copies of the training materials developed, as well as a training plan outlining when the training will be, or has been, conducted, and persons in attendance.	30-Sep-03	1. Please note the references above on the factory's harassment policy and training program. 2. Disciplinary policies and procedures are currently under development, as well as training materials on acceptable disciplinary procedures. Plan for training has been established, and submitted to Reebok.	Pending	Copy of the plan for training supervisors has been submitted to Reebok's monitor as verification and is maintained in Reebok's monitor's files. Factory has been requested to submit copies of the training materials to Reebok. The factory has been requested to submit copies of the disciplinary policies and procedures once completed. Copies of all training materials, as well as lists of all attendance on what dates, has been requested from the factory once the training has been conducted.	Though management claimed that they have conducted training for supervisors in disciplinary practices, no documentation could be produced in support of such training programs. Some female workers interviewed stated that a Line-in-Charge occasionally reprimands them by yelling at the top of his voice which sometimes results in some female workers breaking down and crying. Workers feel humiliated and insulted. They stated that he yells first and reasons or clarifies matters later. These workers felt that he should adopt a more humane approach in explaining issues to them and they would understand better.	Interview with Workers and Management.	Docs verified / workers interviewed stated that they have attended this meeting. Factory already holds a policy in regards to supervisors and peer behavior however factory shall conduct orientation programs for supervisors etc. and report from factory.	Done - Policy and procedure in written, minutes of meeting for all previous meeting held for this concern has been collected from factory.
Disciplinary Action - Punishment of Abusive Supervisors/Manager		Management will discipline (could include combination of counseling, warnings, demotions, and termination) anyone (including managers or fellow workers) who engages in any physical, sexual, psychological or verbal harassment or abuse	Many female workers during interview complained of harassment by the Section In-Charge of the Assembly-Section and their complaints about him to the concerned Supervisor has not resulted in any remedial action. He tends to get spiteful and often would also come and stand/btreat to a female worker and oggle at her to her sheer discomfort and disgust. The problem continues to exist.	Interview with female workers	Factory will communicate its policy of zero-tolerance for any form of harassment in orientation training and workers' handbook. It will immediately investigate the reported incident - and take appropriate remedial measure. Factory will identify a female staff to interact with workers and encourage reporting of such incidents to management.	31-Oct-03	Please note references above, on the factory's harassment policy and training program. Moreover, the case in question is currently being investigated, and once completed appropriate remedial action will be taken.	Please note references above.	No such complaints now. The section in-charge in question has since resigned.	Interview with Workers and Management.			
Gender Sensitive Security		Security practices will be gender-appropriate and non intrusive.	Factory has only male Security guards	Visual inspection and interview with workers	Factory must engage a female security guard for frisking workers, when this is needed.	30-Sep-03	Female security guard was employed on 13 Oct. 2003. A copy of the appointment letter has been submitted to Reebok.		Copies of the person's hiring appointment letter has been submitted to Reebok's local monitor as verification, and is maintained in Reebok's internal local files.	There is no female security guard posted. Male guards check hand bags of female employees.	Visual observation and interview with female employees and management.	Verified - Female security guard has been appointed and found on duty.	Completed
6. Non-Registration													
6. Health and Safety													
Fire Safety - Health and Safety Legal Compliance	Factories Act, 1948, Chapters III (Health) & IV (Safety)	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.	1.Factory presently does not have a valid license to run the factory. An application has been submitted to obtain the license. 2.Factory needs to obtain the 'No Objection Certificate' from the appropriate Govt. authority to operate its power generating sets.	Management interview and review of documents	Factory will produce appropriate evidence of compliance.	30-Sep-03	1. Shoes are being manufactured under the license for (the factory). The factory has two sections, one is making leather shoe uppers and the other is making sports shoes for Reebok. As per local laws, separate license is not required for each section of a factory. However, the factory had applied for a separate license. 2. NOC for generator set has been obtained.	Jan-04	Copy of the existing license, and a copy of the application for a separate license have been submitted to Reebok as verification. Also file in the NOC.				
Document Maintenance/ Accessibility		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 different from the local language	1.MSDS in local language needs to be prominently displayed in the Chemical store. 2.Factory needs to post the Safety Procedures on Machinery & Equipment safety. 3.Signs & Diagrams in local language indicating use of PPE in appropriate work areas should be posted. 4.Procedures dealing in first-aid should be posted in work areas.	Visual Observation	MSDS with graphics, as appropriate, should be prominently displayed in areas of chemical usage. (Please submit copies of all MSDS forms to Reebok, as well as pictures of their posting inside the factory, near the areas where the chemical is in use). Appropriate PPE's should be available in chemical usage areas. (Please submit to Reebok the factory's policy on PPE use, as well as documentation that the appropriate PPE has been provided to workers. Pictures of where the PPE policy has been posted in the factory should also be submitted to Reebok for verification). First aid facilities must be adequate and communicated to all workers. (Please post emergency medical procedures in work areas and submit to Reebok copies of emergency medical procedures, as well as pictures of their postings in the factory).	30-Sep-03	1. MSDS are prominently displayed in the cement mixing room. 2. Factory policy has also developed a policy on PPE use, and has posted it in a prominent location inside the factory. 4.Factory has also developed and posted emergency medical procedures.	Oct-03	Copies of the factory's MSDS form, PPE policy, emergency medical procedures, and pictures of their postings inside the factory, have been submitted to Reebok's monitor as verification. All are maintained in Reebok's local internal files.				
Evacuation Procedure	FACTORIES ACT, 1948, CHAPTER IV - SAFETY	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unobstructed aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	1.Emergency lights are not installed above some exits nor on exit paths and some of those installed were not functional. 2.Emergency lights installed are small table-top lights which cannot penetrate through smoke. Need to install high-beam type with battery back-up. 3.Many aisles in the main production hall were blocked with bins and cartons while the wall-side aisle along the soiling plant is quite narrow. 4.One exit in the Soiling section was partially blocked with the Chiller machine while another exit in the main production hall near the assembly section was partially blocked with an electric air cooler. 5.Some instances of workers access to passage blocked with bins were seen. 6.While some aisles and evacuation signs need to be re-painted in the production hall there are no aisles marked nor evacuation signs posted in the finished goods ware house and raw material stores. Suggest evacuation signs be posted in red instead of yellow. 7.Evacuation Plans are not posted anywhere. 8.Keep 'Clear' boxes are not marked in front of exits in the Sole processing room and ware houses. 9.Fire extinguisher in the canteen is installed too high and cannot be easily reached. 10.One fire extinguisher in the finished goods store was blocked with boxes of shoes.	Visual Observation	Factory will attend to all changes required, as appropriate.	30-Sep-03	1. Appropriate emergency lights have been installed. These were procured from Alpha Stores B-165, Okhla, Phase-I, New Delhi. 2. All aisles have been marked again and cleared of any obstruction including ware house. 3. Evacuation plan has been displayed in work area. 4. "Keep clear boxes" have been painted near all exits. 5. Access to all fire extinguishers and switch boards has been ensured with clear aisles and markings.	Oct-03	1. Pictures of emergency lights fixed on exits, all aisles, the evacuation plan displayed in the factory, all exit including Zebra boxes, and of the extinguishers and switch boards have been submitted to Reebok as verification, and are maintained in Reebok's local internal files.				
Safety Equipment	FACTORIES ACT, 1948, CHAPTER IV - SAFETY	All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in the place, maintained as prescribed and accessible to the employees	First aid boxes are not adequately stocked while one in the injection moulding section was empty the other one in the main production hall needs to have eye-wash cup and lotion and latex gloves.	Visual Observation	Factory will ensure this is complied with. Factory must stock all first aid kits according to Reebok's Standards. Factory must then develop a process (and document the process in writing) for ensuring the regular inspection and stocking of first aid kits inside the factory. Please submit to Reebok a copy of this new process, as well as the name of the person in charge of its implementation.	30-Sep-03	All first aid boxes have been adequately stocked. A new process for their regular inspection has been developed and submitted to Reebok.	By 30 Sep. 2003.	Copy of the process for the inspection of first aid kits was submitted to Reebok as verification, and is maintained in Reebok's local internal files.				
PPE	FACTORIES ACT, 1948, CHAPTER IV - 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.	1.Generator operator did not wear ear plugs. 2. Some workers applying glue on soles and uppers were not using gloves. 3.Workers on pasting & cementing operations exposed to fumes from thinners, primers & adhesives were provided and using fabric masks instead of filtered masks. 4.Worker cutting labels on a heated filament does not have any protection for hands.	Visual Observation	Factory will need to effect necessary corrections.	30-Sep-03	1. Ear plugs for generator operators already provided. 2. Gloves and filtered masks have been provided to workers applying glue/primers/cement. 3. Protection of hands against heated filaments is being devised. All actions were completed by 30 Sep. 2003. 4. Heated filaments has been removed from the factory. Labels are being cut using hand sensors	By 30 Sep. 2003.	Documentation has been requested from the factory. Reebok's monitor will continue to work with the factory to determine whether these items have been submitted.				
Chemical Management		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	1.Adhesives/Thinners/Primers are not properly labelled or stored. 2.Factory does not provide any training to workers on the safe handling of these chemicals.	Visual Inspection	(a) Please develop, and submit to Reebok a policy on chemical safety, and address MSDS for all chemicals, chemical storage, and training for workers. (b) Labeling must be done for all containers. (Please submit picture of all labels). (b) Workers must be adequately trained in safe handling of chemicals. (Please submit documentation of training, including training materials, list of attendees who conducted the training, and dates training were held).	30-Sep-03	1. Factory has developed and submitted to Reebok a policy on chemical safety. 2. MSDS have been posted on containers, and in the wall of the mixing room. 3. Workers are currently being trained on the safe handling of chemicals.	1&2: Oct 03. 3. Pending	1. Policy on chemical safety, and pictures of MSDS displayed in cement mixing room, and picture of containers with MSDS have been submitted to Reebok's monitor as verification and is maintained in Reebok's local internal files. Documentation of the workers training has been requested from the factory once the training has been completed.				

Findings		Remediation			Third-Party Verification		Company Verification Follow Up							
FLA Code/ Compliance Issue	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	PC Remediation Plan	Target Completion Date	Factory Response	Completion Date	Documentation	External Verification (May 30, 2006)	Documentation	PC Remediation Plan (Dec 12, 2006)	Documentation	Completion Date
Ventilation/Electrical/facility maintenance	FACTORIES ACT, 1948, CHAPTER IV - 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	1. Access to some electrical switch gear was blocked with sewing machines in the production hall. 2. An electrical switch box was blocked with a carton containing foam at the rear end of the production hall while another was blocked with boxes of shoes in the finished goods ware-house. 3. Taped joints on electric wires were observed in the main production hall. 4. Numerous instances of air coolers and pedestal fans connected to the mains without a plug. 5. Open switch box and loose wires were noticed in the 'roughing section'. 6. Lighting in most work areas was inadequate ranging from 70 lux to 400 lux, should maintain a minimum of 500 lux. 7. Ventilation is extremely poor in the 'roughing section' where large quantities of shoe soles in cartons and poly-bags had been piled up. 8. Lint accumulation was seen on the overhead air pipe in the production hall. 9. Exhaust pipe of power generating set is not insulated.	Visual Observation	(B) Factory will need to effect necessary corrections. (B) Factory must also develop a process/policy for the regular inspection of the factory facilities to assess safety (fire and operational) risks and ensure ongoing safe factory conditions and place a qualified individual in charge for its implementation. Please submit copies of the process, and the name of the person in charge to Reebok.	30-Sep-03	1. Access to all electrical switch boards have been cleaned. 2. All taped joints and grayed insulation have been rectified. 3. All fans/coolers have been provided with plugs. 3. Proper plugs have been provided for all fans and air coolers. 4. Roughing section has been cleaned of extra soles. All wiring has been redone and ventilation improved. 5. Lint accumulation was cleaned on the same day and is regularly being checked. All other observations have also been attended to.	Completed by 30 Sep, 2003.	Pictures have been submitted to Reebok's monitor, and are maintained in Reebok's files.					
Record Maintenance		All safety and accident reports shall be maintained for at least one year, or longer if required by law	1. Record of minor-injuries should be maintained.	Visual observation and interview with management	Factory will need to effect necessary corrections.		Minor injury book placed with first aid box.	Oct-03	Sample injury log was submitted to Reebok's monitor, and is maintained in Reebok's internal files.					
Machinery Maintenance	FACTORIES ACT, 1948, CHAPTER IV - SAFETY	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	1. Moving transmission belts on sewing machines are not adequately guarded. 2. Under motor pulley-guards are missing from some sewing machines	Visual Observation	Factory will need to effect necessary corrections.	30-Sep-03	All belts and pulleys have been provided with guards.	All pulleys and belt guards on machines were provided by 7 Oct, 2003.	Documentation has been requested from the factory. Reebok's monitor will continue to work with the factory to determine whether these items have been submitted.					
Sanitation in Facilities	FACTORIES ACT, 1948, CHAPTERS III-HEALTH & V- WELFARE	All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	1. Floor of one of the stalls in the gents' toilet block needs to be repaired. 2. Outlet pipe from the urinal in the gents' toilet is missing. 3. Some flushes in the toilets were not functional. 4. Garbage pail with lid should be provided in each individual stall in the ladies toilet block. 5. There is no soap in the hand wash areas in the toilets. While workers during interview stated that towels were provided only during factory inspection. 6. Need to provide one additional hand-wash in the ladies toilet. 7. Stagnant water was seen on the floor of the ladies toilet block. Some ladies during interview stated that there had been accidents owing to this.	Visual Observation	(B) Factory will need to effect necessary corrections. (B) Factory must also develop a process/policy for the regular inspection of toilet facilities to ensure they are clean in proper functioning order, and place a qualified individual in charge for its implementation. Please submit copies of the process, and the name of the person in charge to Reebok.	30-Sep-03	1. Door of gents toilet has been changed. 2. Outlet pipe from urinal provided. 3. All flushes have been checked and repaired where needed. 4. Proper garbage pails are provided. 5. Additional hand wash in ladies toilet has been provided. 6. All these actions were completed by 7 Oct, 2003. 7. Toilet cleaning / inspection sheet has been created, and sample provided to Reebok.	Oct-03	Documentation has been requested from the factory. Reebok's monitor will continue to work with the factory to determine whether these items have been submitted.					
Sanitation in Dining Area	FACTORIES ACT, 1948, CHAPTER IV - WELFARE	All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building	1. Kitchen and utensil washing area in the canteen requires a coat of paint. 2. Water purifier should be installed on the drinking water station in the canteen.	Visual Observation	Factory will need to effect necessary corrections.	30-Sep-03	1. Washing area in canteen has been repainted. 2. Drinking water is being provided from corporation supplies. 3. Sample has been sent to laboratory for testing. 3. Kitchen area has been repainted. 3. Workers are supplied corporation water for drinking. Copy of laboratory test report submitted to Reebok.	Oct-03	Pictures and lab reports have been submitted to Reebok's monitor as verification, and are maintained in Reebok's internal local files.					
Worker Participation		Workers should be involved in planning for safety, including through worker safety committees	Factory needs to constitute its Health & Safety & Canteen committees duly represented by workers and management	Interview with workers and management	Factory will need to effect necessary corrections.	30-Sep-03	All committees were organized by 30 Sep, 2003. Health and Safety Committee was constituted comprising of Factory Manager as Health and Safety Officer, Management representatives are Manager-Personnel and, Management-Maintenance and one worker from each section as worker's representatives. The workers were elected during the morning assembly of the factory. The workers nominated a name to represent them. Where more than one name was proposed, the workers were asked to vote on a representative.	Oct-03	The policy on composition of committees and also the minutes of the meetings held so far have been submitted to Reebok.	These committees exist only on paper. Many of the workers interviewed were not aware of these committees. Even committee members were not fully aware of their responsibilities. Committee members felt that sometimes appropriate action is not taken/delayed by the management on issues reported by them.	Interview with employees, committee members and review of minutes of meetings being documented every month.	Workers interviewed stated that they have attended committees meetings.	Ongoing - Docs by same has been provided as proofs	
Other	FACTORIES ACT, 1948, CHAPTER IV - SAFETY		1. Storage in the finished goods ware-house and raw material store is haphazard. Well-defined rows between stacks of material need to be created and marked. 2. Large quantities of waste material were found lying in the open exposed to the elements. 3. Deep well outside the adhesive storage area is partially open and could result in an accident, moreover garbage had been dumped into the well through this opening. It also appears that water supply to the facility is provided from the well. 4. Workers with standing jobs were seen using hard soled high-heeled sandals, should use soft rubber soled footwear or be provided rubber mats to stand upon. 5. Many workers during interview complained of pains and aches in the legs, back, neck, shoulders and head. Proper ergonomics and better lighting could improve the situation. 6. Many workers during interview stated that the quality of food served in the canteen was poor and the utensils were not cleaned properly. 7. Some workers during the interview stated that house-keeping and cleanliness standards in the factory and canteen need to improve. 8. Price list of items on sale in the canteen needs to be displayed as required by law.	Visual Observation	Factory will need to effect necessary corrections. (Please address the ongoing maintenance of these issues as part of the safety program requested to be developed above, for ensuring ongoing safe factory conditions overall). Once the safety plan is completed, please submit it to Reebok.	30-Sep-03	1. Storage of material has been re-organized. 2. Factory waste is being cleared once a week. 3. Open well has been covered. 4. Workers have been advised to wear flat rubber shoes particularly who have to work standing. 5. Stools with adjustable heights have also been provided. 6. Efforts are being made to improve the quality of food and general cleanliness in the canteen and workplace. 7. Price list already displayed in the canteen. 7. A picture of store house submitted. 8. A picture of the well after closing the opening. 9. A canteen committee has been formed. The minutes of the meeting held have been submitted.	Oct-03	Documentation has been requested from the factory. Reebok's monitor will continue to work with the factory to determine whether these items have been submitted.					
7. Freedom of Association and Collective Bargaining														
Other			1. Workers Forum created by the management consists of workers chosen by and rotated periodically by the management. The function of this group is to address workers' grievances and issues. However, in effect this committee only exists on paper and members are neither aware of its responsibilities nor its activities. During interview some committee members stated that they are expected to pursue workers' grievances and issues and nothing else. 2. Suggestion boxes installed in toilet blocks are really ineffective as workers rarely express their view/problems via this medium. 3. Many workers feel insecure in voicing their grievances with the management for fear of losing their job or inaction. 4. Factory needs to constitute a Grievance Committee which works effectively duly represented by workers and Management. Workers should not feel intimidated in voicing their concerns to this committee.	Interview with workers	1. As noted above, factory will revive workers' forum by (a) allowing worker representatives elected by fellow workers from each section to retain office for not less than six months, (b) providing proper mandate to representatives to gather and report on grievances from workers, (c) communicating the mandate to all workers, (d) recording all issues raised by workers representatives (in monthly forum meeting) and management decisions on each issue and posting these on factory notice board. 2. Factory will incorporate into workers' handbook, as well as an orientation training, details of how to use the suggestion/complaint box and other remedies for recording grievances to management, including its protocol for acting on inputs and maintaining confidentiality. 3. Factory will communicate, through workers' handbook and orientation training, its policy of non-retaliation against any worker who voices grievance to Reebok or to factory staff.	30-Sep-03	1. Workers forum was started in July 2002 and still continues. 2. Names of workers elected are displayed in workarea with instruction that any complaint/ grievance must be given to them. 3. Minutes of each meeting are recorded signed by all representatives and displayed on the notice board. 4. Use of suggestion/complaint box is being included in workers hand books and orientation training schedule. 5. Non-retaliation policy is being included in new hand book and orientation training. 6. Grievance committee has been constituted. The members have been briefed about raising their grievances without fear.	Oct-03	Details of workers forum, and copies of the worker handbook, and minutes of meetings have been submitted to Reebok's monitor as verification, and are maintained in Reebok's local files.	Committees exist only on paper and as per records, all committees meet every month. However while some workers interviewed felt that the committee members are really not proactive hence they choose to approach specific management staff directly should they have any grievances others were not even aware of the existence of these committees as they had not participated in any election process. Workers interviewed were aware of the suggestion boxes, however displaying a lack of interest in utilizing this option. Though management claim that Minutes of committee meetings are posted, none of the workers interviewed stated having seen them.	Interview with workers, review of minutes of meetings of various committees and interview with management.	Workers interviewed stated that they have attended committees meetings.		
8. Wages and Benefits														
Minimum Wage	Unskilled-Rs.2185, Semi-Skilled-Rs.2301 to Rs.2400 & Skilled-Rs.2461 to Rs.2640	Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher	Some workers on semi-skilled operations like marking, cementing and moulding are being paid wages of the unskilled grade.	Payroll records, workers interview and visual observation	Factory needs to re-visit descriptions of workers and assign them into semi-skilled and unskilled categories for the purpose of wage determination.	30-Sep-03	Workers have already been categorized into various grades according to their skills. Copy of job description for footwear industry as laid down by Punjab Govt. has been submitted to Reebok. Since the production work is being done operation wise, factory is using grades as for general industries.	Oct-03	Job descriptions have been submitted to Reebok as verification and are maintained in Reebok's files.	Workers are now being paid as per skill level.	Review of wage records and interview with workers.			
Pay statement		Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions	Pay statement providing details of earnings is issued to workers at the end of each pay period. However, while it states the amount of earning through overtime it does not mention the number of overtime hours worked.	Review of payroll records and stubs issued to workers and interview with workers	Overtime hours need to be recorded in payslips issued to workers.	30-Sep-03	Workers already started from Sept, 2003. (Please provide copies of pay slips to Reebok).	Oct-03	Please submit documentation indicating these actions have been taken.	Appropriate time recording system is under installation. However, workers and management interviewed stated that factory has not been working overtime since past 12 months.	Interview with workers and Management.	Time machine found installed. Workers in interview claimed that they are in use of time machine for attendance purpose.	Ongoing - Attendance records verified as proofs.	
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	Factory does not have a time-recording system in place.	Review of records and interview with workers and management. Only workers' attendance is recorded manually.	Factory will ensure all working hours are recorded accurately in newly installed punch-card machines.	30-Sep-03	Electronic time recorder was installed by 30 Sept, 2003 and is since being used.	9/30/2003	Documentation has been requested from the factory. Reebok's monitor will continue to work with the factory to determine whether these items have been submitted.	Factory does not have a proper time recording system in place. An electronic time recording system is under installation and is yet to be commissioned. So far manual time records are being maintained but as stated by the management, these records are not complete and inaccurate.	Review of manual records. Interview with Management and visual inspection.	Time machine found installed. Workers in interview claimed that they are in use of time machine for attendance purpose.	Ongoing - Attendance records verified as proofs.	

FLA Code/ Compliance Issue	Findings				Remediation				Third-Party Verification		Company Verification Follow Up		
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	PC Remediation Plan	Target Completion Date	Factory Response	Completion Date	Documentation	External Verification (May 30, 2006)	Documentation	PC Remediation Plan (Dec 12, 2006)	Documentation/Completion Date
False Payroll Records		Employers will not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.	Overtime hours are manually recorded at half the number of hours worked. These hours are then compensated at twice the wage rate to show premium paid on overtime in compliance with the law, however, in effect, there is no premium paid and overtime is paid at one time the wage rate which violates the law that requires overtime to be compensated at two times the wage rate.	Overtime records cross checked with workers statements during interview.	Factory will ensure all working hours are recorded accurately in newly installed punch-card machines. Factory will investigate allegation of improper overtime records and ensure payment to workers for all arrears dues, if any.	30-Sep-03	1. O.T records were checked against details received from the factory and were found to be correct. 2. Wages register, O.T register and some pay slips, along with punch card have been submitted to Reebok.	Oct-03	Wages register, O.T register and some pay slips, along with punch card have been submitted to Reebok and are maintained in Reebok's local files.	Appropriate time records are still not maintained. Electronic time recording system is under installation. However, workers and management interviewed stated that factory has not been working overtime since the past 12 months.	Interview with workers and management.	Time machine found installed. Workers in interview claimed that they are in use of time machine for attendance purpose.	Ongoing - Attendance records verified as proofs.
Accurate Benefit Compensation	The Payment of Gratuity Act, 1972	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.	Some workers duration of work as stated by them did not match with the records available in their personal files. These need to be checked to ensure that workers do not lose out on their gratuity benefits should they quit or retire after a minimum continuous service of 5 years. Gratuity is calculated on the number of years of service subject to a minimum of 5 years.	Review of workers personal files and interview with workers.	Factory should investigate this allegation. It needs to issue workers their appointment letters which accurately record their correct date of joining the factory.	30-Sep-03	Personal records have been checked. The appointment letter shows the correct date of joining.	Oct-03	Copies of appointment letters of some workers have been submitted to Reebok's monitor and are maintained in Reebok's internal files.	Employment documents for some workers are not available in the facility. For those available, date of appointment as per appointment letter row matches with the dates stated by workers during interview.	Review of personal files and interview with workers.	Factory has provided all workers with appointment letters however some of the senior workers are not signing this doc as they are uncomfortable with clause of transfer that is workers can be transferred to any unit as and when required. Workers have been explained that this clause is a requirement of local labor law. Workers have requested some more time to think on this. Factory shall update on same soon.	
8. Hours of Work Forced Overtime		Under extraordinary business circumstances, employers will make extensive efforts to secure voluntary overtime work prior to mandating involuntary overtime.	Many workers during interview stated that at times if they did not wish to work overtime or on a day of rest they were not allowed any option and had to stay behind or come for work on a day of rest.	Interview with workers.	Factory must develop its overtime policy providing workers right of refusal under defined circumstances. This should be communicated in workers handbook and through orientation training.	31-Oct-03	Overtime policy has been made, and has been included in the workers hand book. Also displayed in the working area in local language.	Oct-03	Copies of the written voluntary overtime policy, as well as pictures of where the policy is posted inside the factory, have been requested from the factory.	Workers during interview stated that they have not been working overtime for the past one year. The overtime policy is included in the Employee hand book and states that overtime is voluntary.	Interview with workers and Review of the handbook		
Positive Incentives	Factories Act, 1948, Chapter VI (Working Hours of Adults) Section-56 Extra Wages for Overtime.	Positive incentives will be utilized, and known by the workers	Premium on overtime is not paid as required by law.	Interview with workers.	Factory will ensure all working hours are recorded accurately in newly installed punch-card machines. Factory will investigate allegation of improper overtime records and ensure payment to workers for all arrears dues, if any.	30-Sep-03	New punch card machine functional. The overtime record in personnel dept. has been checked and was found to be correct.	Oct-03	Wages register, overtime register and some pay slips, along with punch card, have been submitted to Reebok and are maintained in Reebok's monitor's files.	Factory has not been working overtime for the past 12 months. Overtime policy which is posted and included in the employee hand book states that overtime premium will be paid at twice the ordinary rate of wage as mandated by law.	Interview with workers and management.		
Negative Incentives		Negative incentives or punitive actions will not used to induce overtime in excess of code standards.	All times workers are not given any option and have to work overtime.	Interview with workers.	Factory must develop its overtime policy providing workers right of refusal under defined circumstances. This should be communicated in workers handbook and through orientation training.	21-Oct-03	Rights of workers to refuse overtime work has been included in the overtime policy. (Please submit copies of the written voluntary overtime policy to Reebok, as well as pictures of where the policy is posted inside the factory).	Please indicate when completed.	Factory has not been working overtime for the past 12 months. As per the overtime policy included in Employees hand book, workers are free to refuse overtime work. Factory has not been working overtime for the past 12 months.	Review of the handbook & Interview with workers and management.			
Overtime Limitations	Factories Act, 1948, Chapter VI (Working Hours of Adults) No adult worker shall be required or allowed to work in a factory for more than 48 hours in any week or for more than 12 hours on any day. Overtime is limited to 2 hours per day and 12 hours per week with a restriction of 50 hours per quarter (3 months)	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 the laws of such country which do 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.	There are no time records maintained by this facility hence it is difficult to ascertain the actual number of working hours per week. Overtime records maintained manually are inaccurate and workers have also worked late on times and also on days of rest for which no records are available.	Review of records and interview with workers.	Factory will ensure all working hours are recorded accurately in newly installed punch-card machines. Factory will investigate allegation of improper overtime records and ensure that overtime hours comply with the Reebok standard. (Please submit to Reebok reports of the number of hours worked per week for the last three months, to determine whether factory is in compliance with Reebok's working hours standards).	30-Sep-03	Will be complied with.	Please indicate when completed.	Factory has been requested to submit to Reebok reports of the number of hours worked per week for the last three months, to determine whether factory is in compliance with Reebok's working hours standards.	Actual working hours cannot be verified as factory has not been maintaining accurate time records until now. However, as stated by management and workers, factory has not worked overtime and on rest days over the past 12 months.	Interview with workers and management.	Attendance records verified. A sheet bearing all workers name with their card no. is maintained by SEA Team.	
Reduce Mandated OT		The employer will demonstrate a commitment to reduce mandated overtime and to enact a voluntary overtime system to meet unforeseen situations	This needs to be implemented	Review of records and interview with workers.	See references above to overtime hours and overtime policies.	30-Sep-03	Being implemented.	Please indicate when completed.	Factory has been requested to submit copies of the written voluntary overtime policy to Reebok, as well as pictures of where the policy is posted inside the factory.	Overtime policy is included in the Employees Handbook. As stated by management and workers, factory has not worked overtime and on rest days over the past 12 months.	Review of the handbook & Interview with workers and management.		
Explanation of Continued Required OT		If the employer repeatedly requires overtime in order to respond to the same situation, the employer will explain why it will not have sufficient staff on hand to avoid the necessity of overtime.	Can be determined when a reliable time recording system is introduced	Visual observation, review of records and interview with workers.	Factory will ensure all working hours are recorded accurately in newly installed punch-card machines.	30-Sep-03	Being complied with	Please indicate when completed.	Factory has been requested to submit to Reebok reports of the number of hours worked per week for the last three months, to determine whether factory is in compliance with Reebok's working hours standards.	As stated by management and workers, factory has not worked overtime and on rest days over the past 12 months. Factory is in the process of commissioning an electronic time recording recording system.	Interview with workers and management.	Ongoing - Attendance records verified. A sheet bearing all workers name with their card no. is maintained by the SEA Team.	
Overtime Explanation		Employers shall be able to provide explanation for all periods when the extraordinary business circumstances exception has been used. Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances	This needs to be implemented	Review of records and interview with workers.	Please develop a factory policy on working hours, within Reebok's working hours and rest day standards, and submit the policy to Reebok.	30-Sep-03	The factory is currently in the process of developing a factory policy on working hours, within Reebok's working hours and rest day standards, and will submit the policy to Reebok once completed.	Pending	Reebok's monitor will follow-up with the factory to determine whether policy development is on track, and will request from the factory that they submit documentation.	Factory's policy on working hours is included in the Employees Hand book and workers, factory has not worked overtime and on rest days over the past 12 months.	Review of the Employees Hand book and interview with management and workers.		
Legal Compliance with Protected Workers	By law women cannot work between 7.00 p.m. to 6.00 a.m. (Chapter - VI of the Factories Act - Working hours for adults, Section - 68)	The factory will comply with all applicable laws governing work hours, including those regulating or limiting the nature and volume of work performed by women or workers under the age of 18.	Cannot be determined for want of a reliable time-recording system. Some women stated that occasionally they worked upto 7.30 pm	Interview with female workers.	Factory will ensure all working hours are recorded accurately in newly installed punch-card machines. (Please also develop, as part of the factory's working hours policy, a policy for working hours for women in accordance with local law. Once developed, please submit a copy of the policy to Reebok as verification.)	30-Sep-03	Factory is ensuring all working hours are recorded accurately in newly installed punch-card machines. The factory's working hours policy, as well as a policy for working hours for women, is pending. Once developed, the factory will submit a copy of the policy to Reebok as verification.	Pending	Factory has requested that they submit copies of the written voluntary overtime policy to Reebok's working hours policies.	Factory does not have a proper time recording system in place. An electronic time recording system is under installation and is yet to be commissioned. So far manual time records are being maintained but as stated by the management, these records are not complete and accurate. However female workers interviewed stated that the factory has not been working overtime for a year and their work day ends at 6.00 pm.	Review of manual time records, visual inspection and interview with female workers and management.	Verified - Machine found installed and in use. Attendance records verified. A sheet bearing all workers name with their card numbers was reviewed.	
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary.	This needs to be implemented	Interview with workers.	Factory must develop its overtime policy providing workers right of refusal under defined circumstances. This should be communicated in workers handbook and through orientation training. Please see references above to overtime policies.	21-Oct-03	Please see references above to the factory's voluntary overtime policies.	Oct-03	Copies of the written voluntary overtime policy, as well as pictures of where the policy is posted inside the factory, have been requested from the factory.	Overtime policy is included in the Employees Handbook and states that overtime will be on a voluntary basis.	Review of the Employees Hand book.		
10. Overtime Compensation													
Accurate recording of OT hours worked?		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	Only half the overtime hours that workers work are recorded against their names	Workers statement during interview compared with the overtime records.	Factory will ensure all working hours - including overtime work - is recorded accurately in newly installed punch-card machines.	30-Sep-03	Please indicate the factory's efforts in this regard		Copy of time recorder dates, and O.T. register record are maintained in Reebok's files.	As stated by management and workers, factory has not worked overtime and on rest days over the past 12 months. Factory is in the process of commissioning an electronic time recording system.	Interview with Management and workers.	Per documentation review and workers' interviews, factory management has installed a new time recording machine. Workers are currently using new machine and as a result, hours of work can properly be verified.	
OT Compensation	Overtime must be compensated at twice the ordinary rate of wages. (Chapter - VI of the Factories Act, Section - 69 - Extra Wages for Overtime)	The factory shall comply with applicable law for premium rates for overtime compensation	Overtime is compensated at one time the wage rate, however records are maintained to show that it is compensated at twice the wage rate to be in compliance with the law.	Workers statement during interview compared with the overtime records.	Factory will investigate allegation of improper overtime records and ensure payment to workers for all arrears dues, if any.	30-Sep-03	New punch card machine functional. The overtime record in personnel dept. has been checked and is found correct. 1.		Copy of payroll record for October was submitted to Reebok, and are maintained in Reebok's files.	As stated by management and workers, factory has not worked overtime and on rest days over the past 12 months. The present manual time recording system is erratic, ineffective and unusable. An electronic time recording system is under installation and is expected to be commissioned shortly.	Interview with Management and workers.	Verified - Machine found installed and in use. Attendance sheet found posted on notice board daily for workers to review. Workers are aware of time machine installed.	Ongoing - Attendance records verified

FLA Code/ Compliance Issue	Legal Reference	Findings			Remediation					Third-Party Verification		Company Verification Follow Up	
		FLA Benchmark	Monitor's Findings	Documentation	PC Remediation Plan	Target Completion Date	Factory Response	Completion Date	Documentation	External Verification (May 30, 2006)	Documentation	PC Remediation Plan (Dec 12, 2006)	Documentation, Completion Date
OT Compensation Awareness		Workers shall be informed about overtime compensation rates, by oral and printed means	Workers have been coached to say that overtime is compensated at twice the wage rate when in fact it is not.	Workers Interview	(i) Factory will record the overtime premium calculations in the workers' handbook, include explanation of this in workers orientation training, as well as post this in factory notice board. (Please submit to Reebok copies of these materials) (ii) Factory will investigate allegation of improper overtime records and ensure payment to workers for all arrears dues, if any. (As requested above, please submit to Reebok copies of payroll records indicated proper payment of overtime wages) (iii) Factory must investigate allegation of coaching workers and take appropriate actions against staff guilty of such practices.	30-Sep-03	1. Factory will record the overtime premium calculations in the workers' handbook, include explanation of this in workers orientation training, as well as post this in factory notice board. 2. Overtime is correctly recorded. 3. No staff had coached the worker. Infact it was a surprise visit by FLA team.	2-83 Ongoing 1- Pending	The factory has been requested to submit documentation on overtime premium calculations which is to be included in the workers' handbook and orientations, and pictures of their posting. Reebok's monitor will continue to work with the factory to determine whether these items have been submitted.	As stated by management and workers, factory has not worked overtime and on real days over the past 12 months. The present manual time recording system is erratic, ineffective and unreliable. An electronic time recording system is under installation and is expected to be commissioned shortly. Overtime premium, as mandated by law is explained in the policy on working hours which is posted and included in the Employee hand-book	Interview with Management and workers. Review of postings and employee hand-book	Per documentation review and workers' interview, factory management has installed a new time recording machine. All workers are currently using new machine and as a result, hours of work can properly be verified.	
11. Miscellaneous													